

BIP-31: Beanstalk Farms Q1 2023 Budget

Proposer

Beanstalk Farms

Summary

- Mint 750,000 Beans to fund Beanstalk Farms to retain, grow and support a group of core contributors to Beanstalk through the end of Q1 2023; and
- Mint 250,000 Beans to the Audit Fund.

Links

- [BIP-31 GitHub PR](#)
- GitHub Commit Hash: [91554e8eb9237eb83ecbfa5451e170bdcc3c15](#)

Introduction

Beanstalk Farms is an independent decentralized development organization of core contributors working on Beanstalk. Beanstalk Farms has historically been funded by the Beanstalk DAO and proposed quarterly budget BIPs that mint Beans to cover operating expenses and compensate contributors.

Beanstalk Farms designed the Q1 2023 budget to enable core contributors to work towards the following goals:

- Decentralized development: continue to develop a diverse organization without any single points of failure or dependence.
- Focus and flexibility: deliver high quality output in a timely fashion, while maintaining the flexibility to fund and support a wide variety of unique opportunities related to Beanstalk.
- Attracting high quality talent: continue to attract and retain high quality talent, which is critical to the success of Beanstalk.

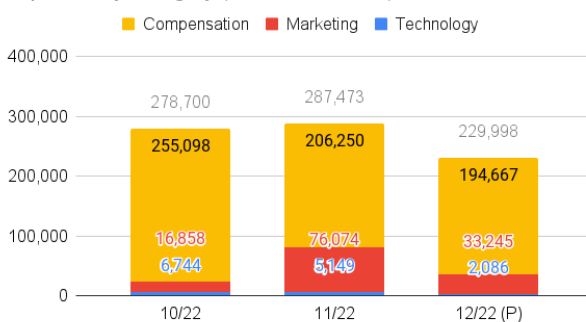
Q4 2022 Spending and Output

At the beginning of the quarter on October 1, 2022, the Beanstalk Farms Multisig (BFM) held 160,702 Beans and 190,094 USDC.

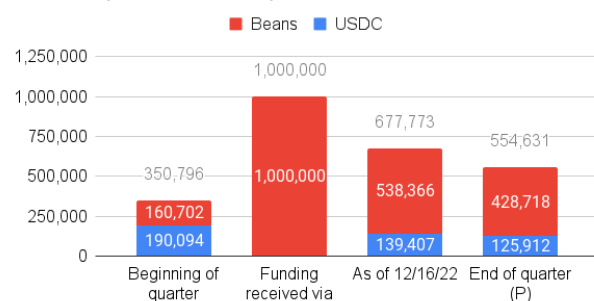
The Q4 2022 Beanstalk Farms budget of 1,000,000 additional Beans was minted per BIP-25 on October 5, 2022 to fund protocol development and support initiatives.

As of December 16, 2022, the BFM had 538,366 Beans and 139,407 USDC, resulting in a quarter-to-date spend of 622,336 Beans and 50,687 USDC.

Expenses by Category (Beans and USDC)



Balances (Beans and USDC)



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Beanstalk Farms monthly operations reports:

- October 2022
- November 2022

The output of Beanstalk Farms during Q4 2022 includes (but is not limited to):

Security

- Triaged 25+ bug reports from ImmuneFi whitehat hackers and coordinated with the BIC, Halborn and the BCM on, and developed the fixes that were implemented in, EBIP-3, EBIP-4, EBIP-5 and EBIP-6;
- Transparently communicated bug bounty payouts to the DAO via BIR-1, BIR-2, BIR-3 and BIR-4;
- Coordinated with the BCM on the fix in EBIP-7;

- Retained Halborn to complete audits of [BIP-29](#), [BIP-30](#), the upcoming [Sunrise Improvements BIP](#), Pipeline and Depot, the Root token, Paradox and the Beanstalk UI (see [Beanstalk Audits](#)); and
- Formed the Beanstalk Seraph Committee that worked extensively with Halborn to develop Runbooks for each Seraph-protected function proposed in the Seraph BIP.

On-chain Development

- Implemented BIP-29, which:
 - Implemented V2 Pod Orders and Listings such that the price per Pod is priced as a function of place in the Pod Line;
 - Gave Farmers the ability to delegate use of their Farm balances to other contracts and added [EIP-2612](#) permit support to Farm balances; and
 - Added EIP-2612 permit support for Silo Deposits;
- Deployed [Pipeline](#), a sandbox contract that can execute an arbitrary number of actions within the EVM from an EOA in a single transaction;
- Deployed Depot, a standalone wrapper contract for Pipeline;
- Coordinated with [Root](#) and [Paradox](#) on the launch of their respective contracts;
- Implemented BIP-30, which:
 - Added Clipboard functionality to the `farm` function;
 - Added a Depot Facet for Farmers to access Pipeline directly through Beanstalk; and
 - Added EIP-2612 permit support for ERC-20 tokens and [EIP-4494](#) permit support ERC-721 tokens in Circulating balances;
- Developed the Sunrise Improvements BIP, which:
 - Implements a Dutch auction for Soil that should reduce the effective Temperature during times of excess demand for Soil; and
 - Optimizes the incentive reward and interoperability of the `sunrise` function;
- Developed the beginning of Silo V3, which is currently under audit and planned to:
 - Facilitate instant Withdrawals from the Silo; and

- Issue Earned Beans in a time-weighted fashion; and
- Continued development of Wells, including a future BEAN:ETH Well.

Middleware

- Launched and open sourced a beta version of the Beanstalk SDK that facilitated the launch of the Root UI;
- Overhauled the Beanstalk and Bean subgraphs, along with a deployment of the Beanstalk Subgraph to the decentralized Graph Network; and
- Coordinated with Root and Paradox on the deployment of several bots for Root minting/redemptions, Paradox betting, etc.

Frontend + Design

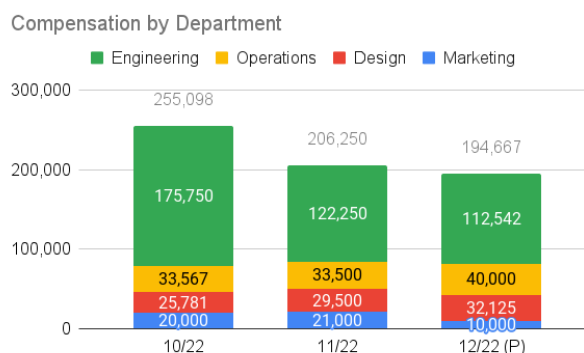
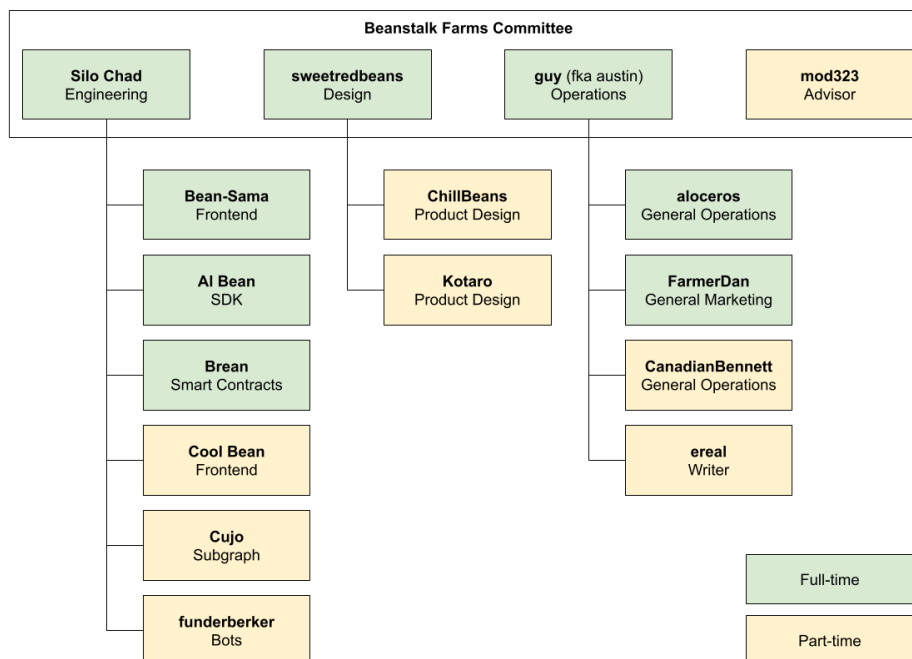
- Continuously pushed updates to the Beanstalk UI, including:
 - A historical view of Pod Market transactions;
 - Various updates to the Governance pages;
 - Security improvements recommended by Halborn;
 - A new Balances page;
 - A new Analytics site;
 - Seasonal themes for the UI; and
- Began design and development of:
 - A generalized Markets Trading UI intended to support full functionality implemented in BIP-29 and other markets in the future;
 - Draft v2.0 - v2.5 and Component Library
 - Prototype
 - Generalized flows for “Claim/Harvest/Rinse and do X” (Rinse and Deposit, etc.);
 - Claim and Do X
 - A Master Component Library for use by Beanstalk Farms and other members of the Beanstalk ecosystem; and

- Onboarded two experienced part-time product designers to Beanstalk Farms.

Content, Community and Marketing

- Coordinated with Root and Paradox on their respective mainnet launches;
- Continued improvements and additions to the Farmers' Almanac, in addition to maintenance;
- Published the Bi-Weekly Bean and A Framework for Stablecoins blog post;
- Created the Agronomics Handbook for developers in the Beanstalk ecosystem;
- Began redocumenting the entirety of Beanstalk to make it more accessible to developers, auditors and whitehats;
- Created the Community Resource Hub to share various community resources like past meeting notes, Immunefi bug reports, etc.;
- Continued the community grant program and issued multiple grants (including the funding of AudioFarms, which produces RadioDeFi, The Bean Pod and Beanthoven songs);
- Hosted twice a week calls with the community and Publius to answer questions about Beanstalk, future plans, etc;
- Engaged with marketing firms to land news articles about Beanstalk in crypto-native news publications;
- Continued to retain and work closely with TASC Group around media coverage of Beanstalk;
- Hired a marketing manager; and
- Released monthly operations reports to increase financial and operational transparency of Beanstalk Farms and Bean Sprout.

Current Organization



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Anticipated Q1 2023 Output

Security

- Continue coordinating with Immunefi whitehats, the BIC, the BCM and Halborn to respond to issues surfaced in bug reports;
- Seek to engage at least one more audit firm to continuously audit Beanstalk in addition to Halborn;
- Seek to setup audit competitions for new BIPs via Code4rena;

- Continue coordinating with Halborn on BIP audits and improve Beanstalk documentation to better set Halborn and future auditors for success; and
- Establish community standards for timelines around publishing new code.

On-chain Development

- Release NatSpec documentation for all functions within Beanstalk, supporting the ability of developers, auditors and whitehats to better and more quickly understand Beanstalk;
- Standardize Beanstalk's suite testing utilities for usage across the ecosystem (i.e., with the Root token);
- Implement a generalized permit system within Beanstalk (i.e., Tractor);
- Deploy a BEAN:ETH Well on the Beanstalk-native zero fee AMM;
- Implement time-weighted average Bean seigniorage distribution in the Silo and bring the Withdrawal timer down to zero;
- Continue assisting Root, Paradox and other third parties building on the Beanstalk ecosystem; and
- Explore a suitable on-chain governance structure.

Middleware

- Reach feature parity between the Bean and Beanstalk subgraphs and Beanstalk;
- Continue development on the Beanstalk SDK (first migrating all existing UI functionality into the SDK, and then extending the SDK's capabilities related to composing transactions); and
- Continue to build and maintain various ecosystem bots as Beanstalk, Root, etc are upgraded and the Beanstalk ecosystem expands.

Frontend + Design

- Open source the Beanstalk UI;
- Launch a UI for BEAN:ETH Wells in tandem with its on-chain deployment;

- Refactor the UI to condense the Withdraw and Claim steps into one step after the Withdrawal timer is reduced to zero;
- Reach and maintain feature parity between Beanstalk and the Beanstalk UI, including:
 - A Pod Market V2 UI;
 - Generalized flows for “Claim/Harvest/Rinse/Plant and do X” (e.g., Rinse and Deposit);
 - Support `transferToken` to multiple recipient addresses from Farm or Circulating balance;
 - Support “Claim All” functionality (Rinse, Harvest and Plant);
 - Add a total debt level chart to the Analytics page; and
 - Add Barn Raise BeaNFTs to the site; and
- Hire more frontend engineers.

Content, Community and Marketing

- Continue to engage the community on Discord, Twitter and YouTube;
- Release two new educational videos about Beanstalk;
- Continue writing the Bi-Weekly Bean and publish a blog post every month;
- Continue managing the community grant program;
- Continue hosting weekly community calls;
- Continue to retain and work closely with TASC Group around media coverage of Beanstalk; and
- Continue to release monthly operations reports to increase financial and operational transparency of Beanstalk Farms and Bean Sprout.

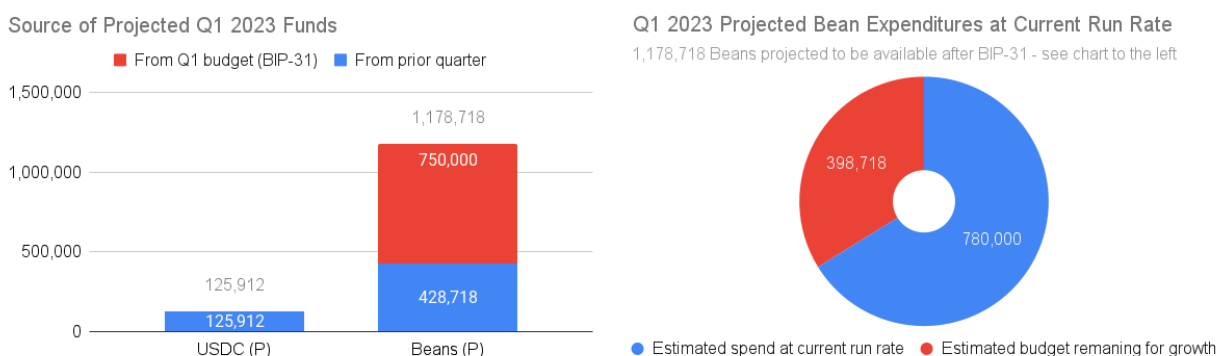
Budget

We propose a total of 750,000 Beans are minted to fund Beanstalk Farms through the end of Q1 2023. Beanstalk Farms estimates 428,718 Beans in the BFM will remain unspent at the end of Q4 2022, resulting in a total available budget of 1,178,718 Beans.

139,407 USDC also remains in custody of the BFM as of December 16, 2022.

Beanstalk Farms is spending approximately 260,000 Beans worth of value per month based on a three month average. This is expected to slightly increase as the Beanstalk Farms Committee hires more contributors, particularly in engineering.

The philosophy behind Beanstalk Farms' budget BIPs is to overestimate the number of Beans needed to fund protocol development for the quarter. It is better to have budget Beans that can be rolled over into the following quarter's budget than to not have enough Beans to fund important initiatives and pay potential high value contributors interested in working on Beanstalk.



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Audit Fund

We propose a total of 250,000 Beans are minted to create the Audit Fund. The Audit Fund will be solely dedicated to funding audits of Beanstalk and Beanstalk ecosystem code. The Audit Fund is expected to be used to cover future Halborn audits, a Code4rena audit competition and to potentially engage another smart contract auditing firm.

The Audit Fund will be custodied by the BFM. All spending from the Audit Fund will require approval through a Beanstalk Farms Budget Proposal (BFBP), and the balance of the Audit Fund will be reported in the Beanstalk Farms Operations Reports.

Custody

The funds for Beanstalk Farms budget and the Audit Fund will be custodied by the BFM wallet with keys held by various community members and Publius. We propose the following signers and backup signers for the BFM:

BFM Signers (all current signers)

- Publius
- Silo Chad
- guy (fka austin)
- sweetredbeans
- mod323
- aloceros
- Cujo

The following serve as backup signers for the BFM, in no particular order:

- Al Bean
- CanadianBennett
- MrMochi

Governance

Beanstalk Farms will continue to utilize the processes for Beanstalk Farms Committee Proposals (BFCP) and Beanstalk Farms Budget Proposals (BFBP), per the processes outlined in [BFP-81](#) and amended in [BIP-25](#). The Beanstalk Farms Committee (BFC) is responsible for oversight of other Beanstalk Farms contributors. More information on the BFCP and BFBP process can be found [here](#) and [here](#).

We propose that the BFM be able to vote on governance proposals using its Stalk at the discretion of the BFC. The BFM will not vote on BFCPs due to the conflict of interest. Note that not all budget Beans are Deposited—see *Incentive Alignment*.

Responsibilities

Beanstalk Farms values all feedback from the DAO. However, due to limited resources, it is not feasible to prioritize every request. Beanstalk Farms prioritizes work that it

deems the highest leverage contributions that it can provide to Beanstalk given current bandwidth. If a request is not taken on, Beanstalk Farms may still offer guidance or assistance to help the community address the issue in other ways, such as helping facilitate direct and permissionless contributions through governance or other organizations in the Beanstalk ecosystem.

BFC members will make every effort to attend DAO meetings regularly and address any questions that arise, but otherwise do not have a duty to respond to specific inquiries within a certain time frame. Ultimately, the BFC and contributors are accountable to the DAO through the selection of BFC members by the DAO in governance.

Initial Allocations

Each new Beanstalk Farms contributor must have a new individual Snapshot proposal, either via BFCP-A or BFBP-A, utilizing the above processes. Current contributors will only require a Snapshot proposal if their pay rate has increased or role/commitment has significantly changed since the terms of the proposal in effect.

A budget of 15,000 Beans per month will be allocated to the community grant program to reward creators of new Beanstalk-related content that focuses on Beanstalk and its role in the broader DeFi ecosystem. Unused Beans in a month will not roll over to subsequent months, including the unused Beans rolled over throughout Q3 and Q4 2022. More information [here](#).

Incentive Alignment

In order to best align the incentives of contributors to Beanstalk with its long term success, Beanstalk Farms will continue using the Deposit compensation structure as described in the Incentive Alignment section of [BIP-22](#).

The BFM will execute a plant transaction when Earned Beans increases the amount distributed by greater than 1% or when a contributor has departed from Beanstalk Farms.

Competitive Pay

Beanstalk Farms recognizes that its ability to pay contributors competitive compensation is essential to Beanstalk's long-term success. This budget proposal ensures that it can meet or exceed market rates.

Contract Changes

None.

Beans Minted

The `init` function on the `InitMint` contract at 0x077495925c17230E5e8951443d547ECdbB4925Bb is called.

We propose a total of 1,000,000 Beans are minted for the budget and the Audit Fund to the BFM address (0x21DE18B6A8f78eDe6D16C50A167f6B222DC08DF7) upon the execution of BIP-31.

Effective

Immediately upon commitment.