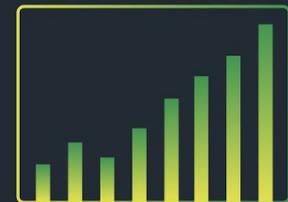
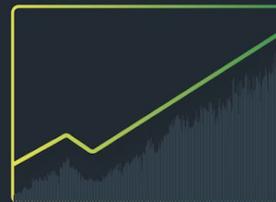
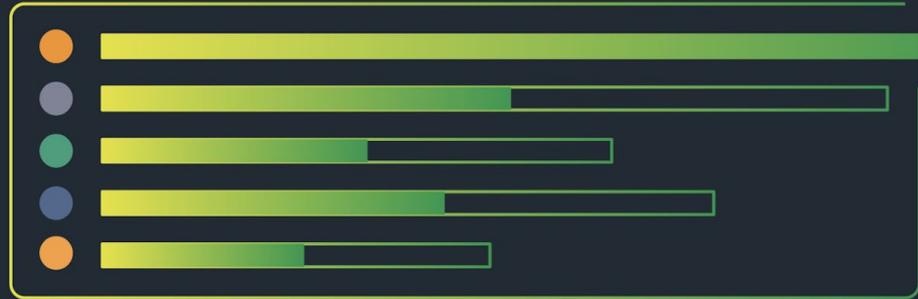


Yield Farming Survey

25th August 2020 - 4th September 2020





Yield Farming Survey Background

Kick-started by Compound, the yield farming frenzy has taken over the cryptosphere the past three months. It does not seem like it will subside anytime soon with new breed of protocols being launched alongside their yield farming tokens such as Yearn.Finance (YFI), Uniswap (UNI) and Pickle (PICKLE)

Nonetheless, yield farming isn't as easy as it seems. Only the more sophisticated DeFi natives would know how to do it profitably. Hence, we at CoinGecko want to gain insights on **three things**:

1. Is the yield farming rage **sustainable** and here to stay?
2. Do yield farmers actually **understand the associated risks and rewards** when farming?
3. What are the **biggest pain points for retail users** to be a farmer?

Methodology

Campaign: 25 Aug - 4 Sep 2020

Participants: 1,347

Data Collection: Computer-Assisted Self Interviewing (CASI)

Survey Distribution: CoinGecko's Newsletter, Twitter, Telegram, Instagram, Facebook, LinkedIn.

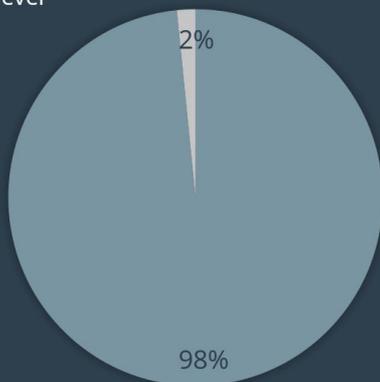


Demographic

Majority of the respondents have at least heard of liquidity mining or yield farming

Number of respondents who have heard of Bitcoin or Ethereum

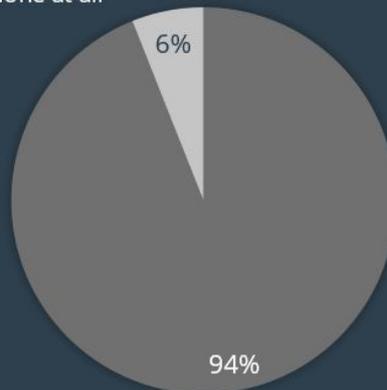
■ At least heard of Bitcoin or Ethereum
■ Never



n=1347

Number of respondents who owned at least a cryptocurrency

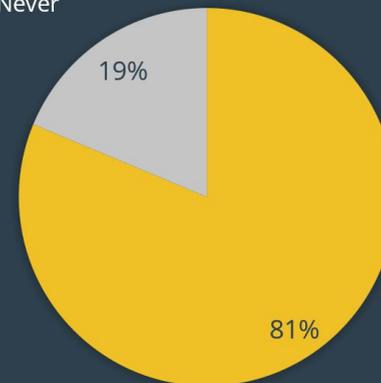
■ Own at least a cryptocurrency
■ None at all



n=1325

Number of respondents who have heard of liquidity mining or yield farming

■ At least heard of liquidity mining or yield farming
■ Never



n=1245

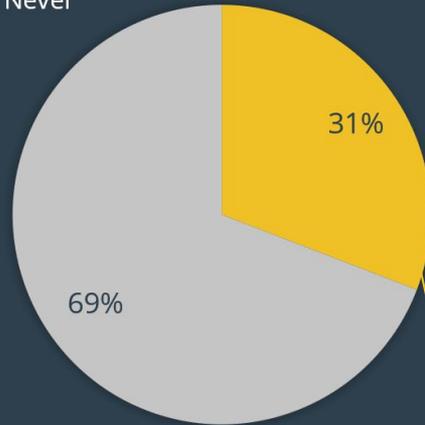
The yield farming trend has taken the industry by storm - most crypto owners have heard of it by September 2020.

Demographic

A significant portion of yield farmers are 30-59 years old men

Number of respondents who have participated in yield farming

- Have participated in yield farming
- Never



n=1012

59% of them are still actively farming!

Gender



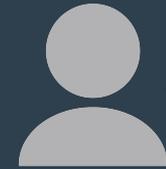
Male

90%



Female

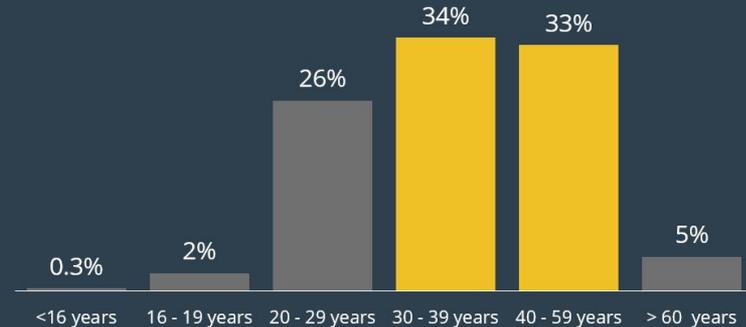
6%



4%

Binary/
Prefer not to say

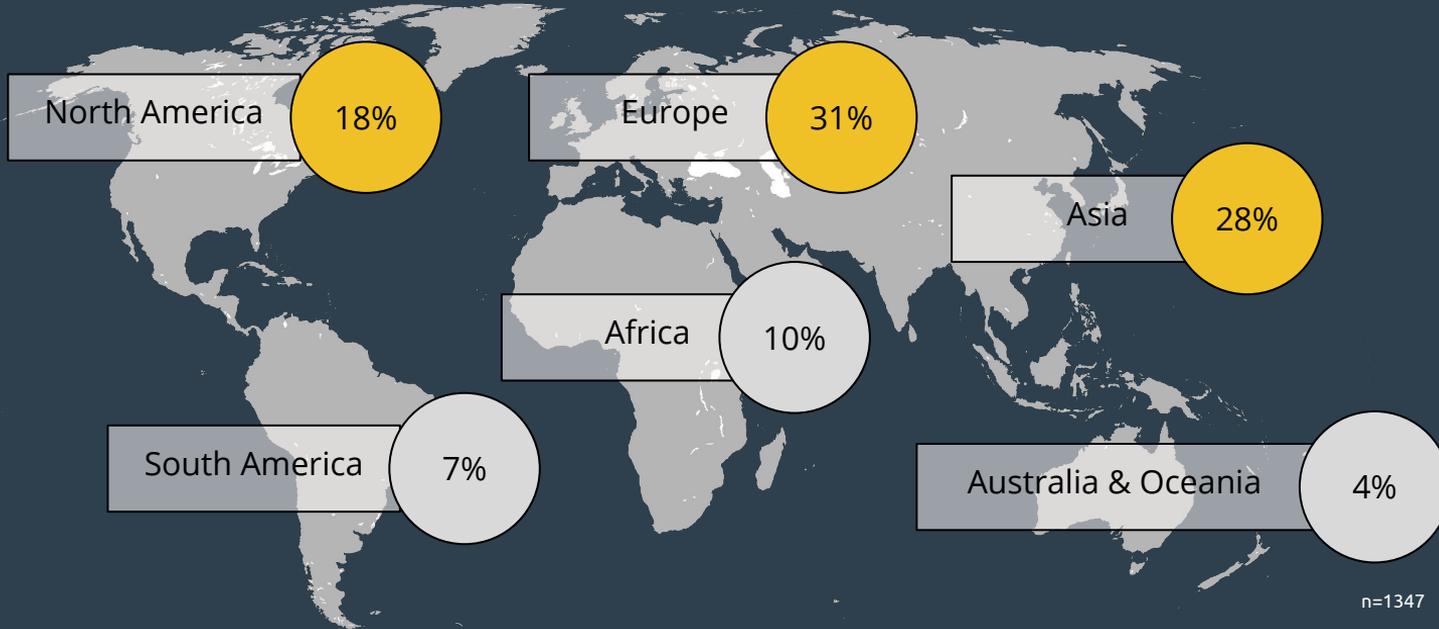
Age



n=1012

Most farmers are from Europe, Asia, and North America

User Demographic by Region



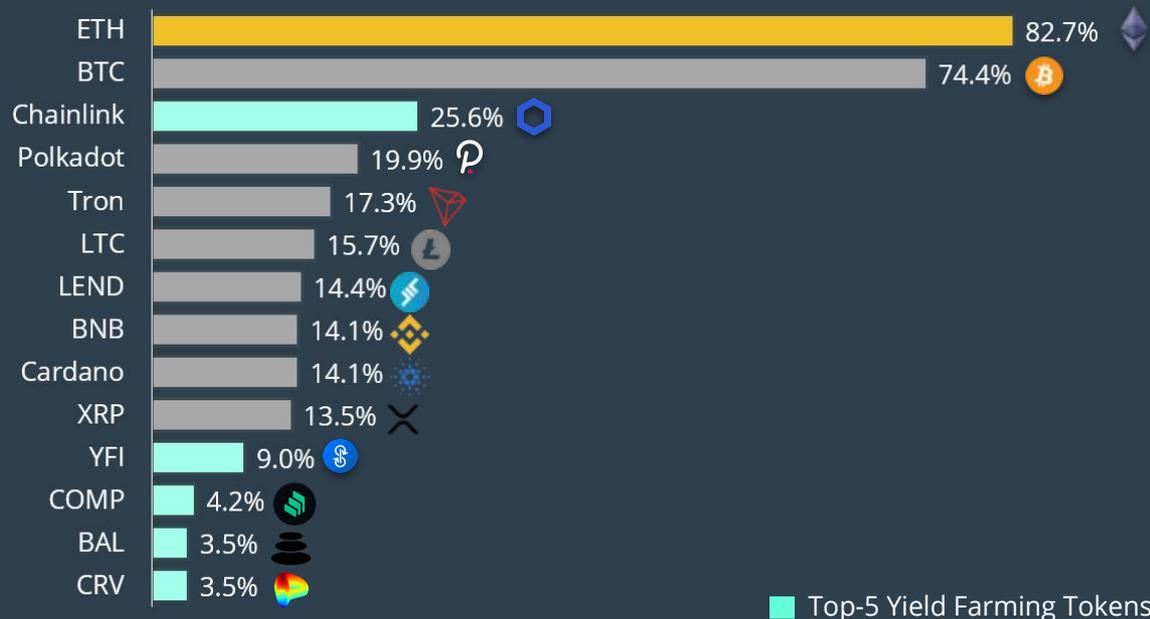
Results indicate that most farmers originate from North America, Europe and Asia.

Farmers from other regions such as South America, Africa and Australia are still rather dormant.

Farmers' Behavior

Assets acquired through yield farming only make up a minor portion of portfolios

Top-10 Cryptocurrency and Top-5 Yield Farming Tokens in the farmers' portfolio



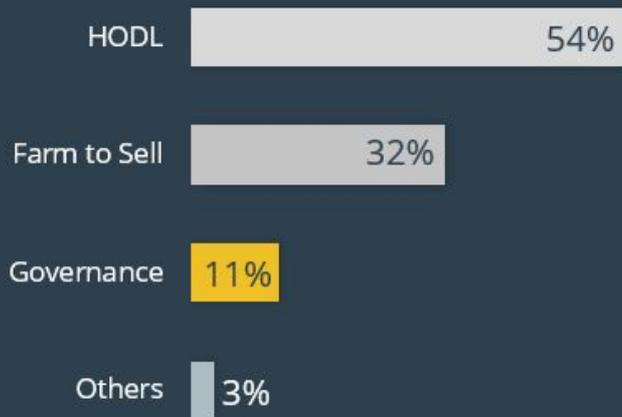
Top-5 yield farming token acquisition channel



Farmers' Behavior

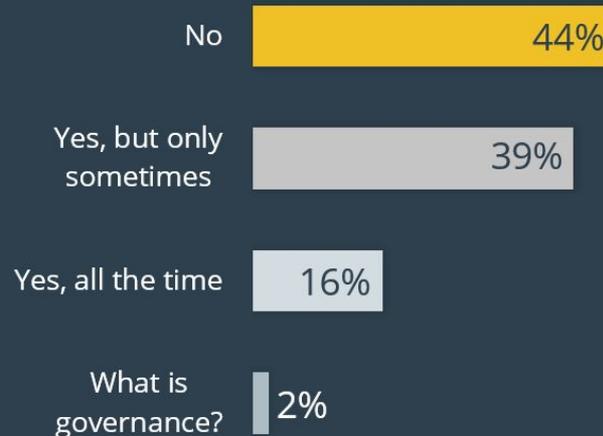
Most yield farming protocols offer governance tokens, yet most farmers show a lack of interest in governance

What is your primary reason to participate in liquidity mining/yield farming?



n=312

Have you ever participated in liquidity mining/yield farming in the last 60 days?*



n=153

*Question is asked to those who mentioned they owned the following tokens: Compound (COMP), Maker (MKR), Yearn Finance (YFI), and Curve (CRV).

Farmers' Behavior

Gas fees take a chunk out of the portfolio before you even start - but do people care?

Willing to pay >\$10
gas per transaction



73% of yield farmers were willing to spend >\$10 in gas per transaction - potentially paying over \$100/day as they stake/collect funds through various transactions.

This meant most farmers must have substantial funds to make it worthwhile. But is that really the case?

\$1,000 Initial
Capital



Surprisingly, over **52% of 227 farmers started with <\$1,000**, meaning they potentially lose up to 10% of their portfolio (*in gas costs*) before even earning anything.

Zero Leverage



That said, most farmers likely understand the risks as they are not keen on further leveraging their positions with farming on potentially unaudited protocols.

212 respondents did not use any form of leverage.

Positive Return
on Investment



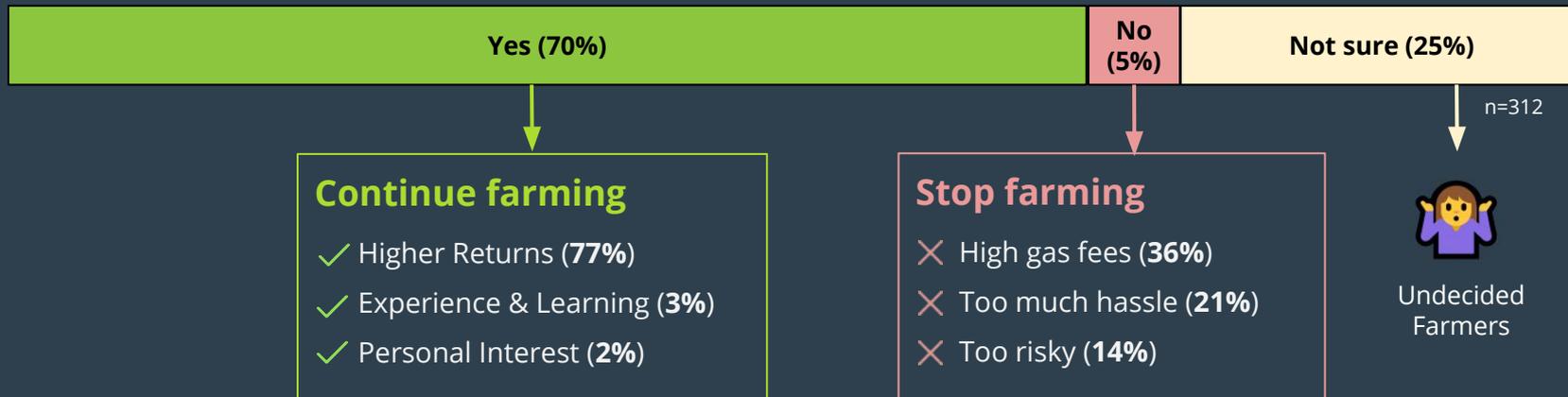
It is mostly a happy tale for now - **290 out of 312** yield farmers reported **positive ROIs of at least 500%**

Future Prospects of Yield Farmers

High yield is the main attraction and gas fee isn't a huge issue. Farmers are, however, wary of unaudited contracts - indicating cautiousness.



Would you continue to do yield farming & liquidity mining in the next 3 months?



 Do farmers care if the smart contracts are audited?

Yes... and No
49% would **NOT** invest in unaudited ones
25% are unsure (*can high yields sway them?*)
26% will do it anyway

Level of awareness on the associated risks and rewards

Despite general wariness, a large portion of farmers are still unaware of the associated risks!

The farmers think they understand the associated risks...



More than half of them (**79%**) claims to understand the associated risks and rewards to a reasonable extent.



...yet a large chunk of them do not know the basic risks!



but **40%** of yield farmers do not know how to read smart contracts

And **33%** of these farmers do not know what is permanent loss!



What we took out of this:

- **Huge risk appetite for high returns** - Among 312 farmers, **49%** of them claimed that they would not invest in unaudited protocols, yet majority (**58%**) have ploughed in over **\$1,000** in capital anyway - a significant sum in many parts of the world.
- **Yields > everything else** - And among them, **40%** could not read contracts to verify potential vulnerabilities or scams.
- **Uninformed** - Alarmingly, **33%** of those also do not know what permanent loss is as a liquidity provider, implying that they may be taking more risk than they are aware of.



Farmer's background

Only 23% have participated in yield farming and only half of them are still actively yield farming. Majority coming from North America, Europe and Asia.



Insights

1

Farmers are mainly farming to HODL (54%) and to sell (32%). Only a small portion (11%) are interested to govern the protocol.

It is evident as reward tokens are frequently governance tokens, yet 44% of farmers have never voted on proposals before.

2

Gas fee remains a huge concern because it takes a chunk out of your portfolio before you even start.

High gas fees will price out most retail users, especially those with lower starting capital (< \$1,000).

3

Majority of the yield farmers (79%) claimed they are aware of the associated risks and rewards.

However, 40% of them do not know how to read smart contracts and 33% never heard of impermanent loss - signifying that the space still has ways to go towards maturity.



Closing thoughts

Yield farming is a trend likely to stay on. However, yields will eventually normalize towards lower levels as projects consolidate (less choices to farm) and as funds start flowing in to dilute yields. The capital inflow increased sharply between 20 Aug to 20 Sept where Tether's ([USDT](#)) supply increased by \$2.3b, [USDC](#) by \$1b, and Wrapped BTC ([WBTC](#)) by \$500m.

However, promising projects will continue to pop up over time and provide bursts of good yielding periods to early adopters, so you'll have to be on your toes and stay updated with this fast moving space to catch them!

Hardworking Farmers - We are here to help with our Yield Farming page!



Top Yield Farming Pools by Value Locked

Protocols & contracts may be unaudited.
There will be exposure to smart contract and market risks.
Please remember to exercise caution, evaluate the risk, and do your own research prior to farming!

Overview Market Cap Impermanent Loss Calculator APY calculator

All  Degen

#	Asset	Pool	Audits	Collateral	Value Locked	Returns
1	 Uniswap	 UNI Liquidity Mining WETH/WBTC	N/A	 WETH  WBTC	\$469,694,032.39	32.64% Yearly 0.00% Hourly
2	 Uniswap					
3	 Uniswap					
4	 Uniswap					



DEGEN MODE: TOP (>1000%) YIELD FARMING POOLS BY RETURNS (APY)

 - BRINGING YOU THE SPICEST FARMS. USE AT YOUR OWN DISCRETION!
- ONLY >1000% APY FARMS ARE SHOWN. NOTE THAT APY FIGURES ARE UNSTABLE ESTIMATES.
- PROTOCOLS & CONTRACTS MAY BE UNAUDITED.
- THERE WILL BE EXPOSURE TO SMART CONTRACT AND MARKET RISKS.
- PLEASE REMEMBER TO EXERCISE CAUTION, EVALUATE THE RISK, AND DO YOUR OWN RESEARCH PRIOR TO FARMING!

OVERVIEW MARKET CAP IMPERMANENT LOSS CALCULATOR APY CALCULATOR

All  DEGEN

#	ASSET	POOL	AUDITS	COLLATERAL	VALUE LOCKED	RETURNS
19	 PICKLE FINANCE	 UNISWAP PICKLE/WETH	N/A	 PICKLE  WETH	\$20,238,914.64	2561.06% YEARLY 0.29% HOURLY
67	 PERCENT	 BALANCER WETH/PCT	N/A	 WETH  PCT	\$960,726.99	2128.38% YEARLY 0.24% HOURLY
81	 KATANA FINANCE	 UNISWAP WETH/KATANA	N/A	 WETH  KATANA	\$555,562.17	1728.86% YEARLY 0.20% HOURLY
86	 KATANA FINANCE	 UNISWAP USDT/KATANA	N/A	 USDT  KATANA	\$485,130.45	1979.85% YEARLY 0.23% HOURLY

“Created by farmers for farmers”

We understand it can be difficult to keep up with the current yield farming markets and so... we decided to create a page for the yield farming enthusiasts!

On our yield farming page, you can find:

- APY
- Value locked
- Audits
- Collateral required
- APY calculator
- Impermanent loss calculator
- **Most importantly:** where should the hardworking farmer go?

We have **two modes**: (1) Normal mode and (2) Degen Mode.



The difference is that only >1,000% APY farms are shown in Degen mode. Yield farming is extremely risky - please do your own research before farming!

Visit our page here and choose your crops!
<https://www.coingecko.com/en/yield-farming>



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