Procoin Curation Protocol

Abstract

The Procoin Curation Protocol (PCP) is a smart contract system on Base that integrates tightly with Farcaster. The protocol is designed to elevate curators to first class citizens on the network, proposing a system that compensates curators for their work from day one. The PCP harnesses the speculative instinct of crypto to promote content discovery, monetize curation and generate upside for content creators. The end-user product is a miniapp that combines the curatorial feel of Tumblr with some of the speculative mechanics of Friendtech.

Introduction (1)

The Procoin Curation Protocol is a response to certain challenges related to content discovery on Farcaster. The vast majority of content consumption runs through the home feed on the main Farcaster client. The algorithm behind the home feed – while dynamic and under constant revision – has become a source of criticism. It's very hard to keep anyone happy when the goal is to make everyone happy.

Some common complaints about the home feed:

- It's showing me too much media content (gym pics/videos, food pics, etc.)

- It's showing me the same people too much

- I'm not seeing the types of content I want to see

- I'm never seeing content from some people I follow and like

The PCP does not propose a solution to any of these problems. Instead, the PCP acknowledges that Farcaster has reached a point where the diversity of content and creators makes it very difficult for the home feed to make most people happy.

It's time to change the shape of content consumption on Farcaster by creating an endless collection of feeds. To create those feeds, we need curators. And to incentivize curators to do the hard work of curation, we need to create an economic model that sustainably compensates curators.

Feeds (2)

Feeds are the core primitive of the PCP. They are instances of an onchain contract that contain two key components:

- A reserve of PRO tokens and bonding curve logic

- A list of cast hashes (pointers to posts on Farcaster)

Creating a Feed (2.1)

Curators use the factory contract to create a new feed with a symbol, name and image url. As part of feed creation, curators must deposit a minimum amount of PRO (amount is configurable by protocol). That PRO amount is traded for the curator's initial feedcoin balance and deposited into the bonding curve. The larger the initial deposit, the higher initial valuation on the bonding curve.

Trading Feedcoins (2.2)

When a user creates a feed with an initial PRO deposit, that deposit represents the first trade on a feedcoin's bonding curve. Bonding curves are a simple economic primitive where supply increases proportionally to price. Token supply is minted on every buy transaction and burned on every sell. Any PRO used to buy a feedcoin is held in that bonding curve's reserve balance, less swap fees. The feedcoin bonding curve applies a 50% collateral ratio.

Curating Posts (2.3)

The second component of feeds is the cast list. A curator can add or remove the hash of any Farcaster post to their feed. The list of cast hashes is the content to be displayed, most likely in a linear feed, on a frontend client. The main curator can add and remove other curators to contribute.

Revenue Model (3)

The PCP is designed first and foremost for curators. However, the protocol's revenue model includes monetization for curators, investors and creators (the original posters of the curated content).

Curator Fees (3.1)

When curators create a feed, they are minted an ownership NFT. The owner of that NFT receives half of the swap fees on every buy and sell transaction, with the protocol receiving the other half. Curators are also participants in the upside from appreciation in their feedcoin.

Investor Upside (3.2)

Investors profit from feedcoins mostly via capital appreciation, much like any other token investment. However, unlike other tokens, feedcoin bonding curves have the benefit of a new communal token reserve model.

Communal Reserves (3.2b)

Feedcoins have a communal revenue share that opens the door to any kind of onchain business model for any feed. Communal reserve models are designed to increase the value of all investors' tokens proportionally.

At launch, Advertising is the only revenue model implemented. Farcaster users who want to advertise on a particular feed can curate a post as an ad – either a post belonging to them or others

– by paying a PRO fee, which is added to the communal pool, increasing the redeemable value of all holders' shares. Curators are given admin controls over who can advertise on a feed.

We anticipate adding new revenue models for feeds in the future.

Creator Issuance (3.3)

While the protocol is built for curators, the creators behind the curated content must be compensated. When each post is curated, the protocol issues feedcoins to the Farcaster user who posted it. The protocol uses an accelerated issuance model that works as follows.

For the first 50 curated posts (where curator != creator), creators are issued a Reward Option, exercisable at any point for 0.1% of the feedcoin's total supply.

The reward option is designed to create alignment with the earliest creators posted to the feed. They can accumulate as many reward options as the curator chooses to grant them.

It's worth noting here that the creator who receives a reward option is incentivized to wait for the feed to grow in popularity before exercising it. Due to the supply dynamics of a bonding curve, where supply goes up alongside price, a reward option is redeemable for a larger number of tokens the higher the price goes.

For all posts following the first 50, creators are automatically issued a flat 0.002% of feedcoin total supply at time of issuance, without any of the options logic.

Curators should curate their own posts as desired, but they will not be issued reward options and they will not receive feedcoin issuance.

PRO Flywheel (4)

The Procoin token is a focal point of the protocol. Traders must use PRO to buy feedcoins, resulting in a token sink that benefits all curators, traders and creators.

A trader that does not hold PRO but wants to speculate on a feedcoin must acquire the token. That resultant buy pressure causes a USD-denominated value increase across all feedcoins.