

FOODCOIN ECOSYSTEM

Whitepaper



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Abstract

Food, in one way or in another, is the basis for business activity of any person. Food production and sales are and will be growing as the population grows. Production of reasonable and quality organic products is a problem which becomes more relevant every day. A considerable part of this problem is solved by small and medium-scale farmers and local producers of natural food. According to FAO (Food and Agriculture Organization), the world counts with over 500 million farmers. The vast majority of them are small producers.

However, the traditional business models which exist today, led the major food brands and agricultural corporations to push the small and medium-scale producers and processors of agricultural products and foodstuffs out from the local markets. The globalization mechanisms help them to tighten their domination easily, using their own material and immaterial resources, on the markets of countries with less developed economies.

Long chain of agricultural production delivery used by transnational corporations, have led to a decline in the consumption of local products. That has led, in turn, to a reduction of the number of small and medium-scale farms (data from the United States and Europe), increase of the average age of a farmer (over 58 years), thus lowering the competitiveness, turning the heavily fragmented market of agricultural products and foodstuffs producers into the market of large corporations and intermediaries.

Therefore, as an example, even in the United States a farmer gets only 16 cents from every dollar paid by the end buyer for the products he has produced. 2 billion of people on Earth (mostly rural population) do not have any access to the banking services and are excluded from the modern economic processes.

We do not set ourselves the task to strive against the transnational corporations, and we don't oppose globalization. We believe that these are all attributes of the current moment of development of our civilization. Any form of confrontation leads inevitably to the destruction and losses. But we cannot

ignore the economic, social and humanitarian expenses of the existing models.

So, our platform will be put up to provide an equal access to a global market of production and distribution of consumable goods for the large and small producers and consumers of agricultural products and foodstuffs complete with the modern financial instruments. This might create a wide market of organic food with fair prices.

What is FCE (FOODCOIN (FdC) ECOSYSTEM)?

FCE (FOODCOIN ECOSYSTEM) is a new blockchain ecosystem, architecturally designed to create a global marketplace of food and agricultural products on the active platform of 1000 EcoFarms, using the Ethereum technology.

In the widest sense, **FCE** is going to be implemented as an universal trading platform for businesses related to food. The FCE deals will take place through the use of smart contracts, while the transactions will accept a proper cryptocurrency named Foodcoin (FdC).

A wide selection of tools, such as a proper "smart" wallet, a remote user identification system, flexibly configurable smart contracts, authentication of the origin of food and a proper crypto payment processor, will let the business process participants related to food to choose and customize the essential platform parameters to reduce potential expenses. We believe that this wide selection of FCE instruments might be used by the farmers, manufacturers of agricultural machinery and fertilizers, farm product processors, food manufacturers, cafes and restaurants, food delivery services, etc.

A significant potential may be in using FCE in social projects. Using a combination of 1000 EcoFarms and Foodcoin (FdC) as an additional alternative social currency for supporting the local systems and ensuring the local food and economic security, will revive the local small-scale food producers and push the local economies to development. These tools will be interesting for the public authorities and municipalities, where decisions are controlled by the local communities.

Another essential scope of using FCE will be non-profit and charity organizations. The 1000 EcoFarms platform has launched two charity projects: "Stop Hunger" and "Help A Farmer". Using the blockchain technology will simplify the addressed charity at the global level, and make these activities completely transparent.

FCE has no plans to charge fees for the transactions. As a payment instrument the platform will use its own crypto currency - the Foodcoin (FdC). The trade parties will buy and sell Foodcoin (FdC)s at the stock

exchanges, thus raising its liquidity and increasing the volume of transactions, and therefore the value of the crypto currency. As a result, the owners of FdC will hold a digital tool, which will increase in value as new transactions and users appear in the system.

To ensure a quick and organic launch of the platform, we will involve powerful marketing and training instruments.

2

The Mission of FCE

The Mission of FCE as a business platform is to form a fully-featured ecosystem, bringing together all economic agents (sellers, buyers, banks, insurance and logistics companies, internal revenue service, customs, etc.) into a single blockchain platform.

Small consumers of agricultural products, such as coffee shops, restaurants, grocery stores, gastro-boutiques, will have access to the global market proposals directly from the manufacturers, for example, to the coffee from a plantation in Kenya, cheese and chocolate from a small manufacturer in Switzerland or wine from a small winery in France.

Using FCE and smart contracts, major food producers and distributors may substantially reduce their expenses on search and identification of new agents and contractors, as well as signing and management of new contracts. Our goal is to create a platform with simple and clear instruments available for simple farmers and producers who are not familiar with the world of blockchain technologies. We understand that apart from the technological limitations of blockchain-platforms, which are going to be solved over time, there are conception limitations of the common users, who are not ready (and don't have to) to key into the technology, and should have a wide and convenient set of instruments to solve their everyday business tasks as the consumers. And on this case, we are going to build a platform focused on the customer's needs.

Small farmers, as well as the large producers and distributors, will get an equal access to FCE, creating a comprehensive global competition environment for producers of food and agricultural products. With minimum skills, the users will be able to find customers and suppliers, using the interactive map of 1000EcoFarms. The smart contracts can be signed without involving lawyers, and there is no need to maintain logistic departments to connect with companies of logistics. Significant cost savings on signing and managing the contracts will allow businesses to better compete with the companies which make deals in a traditional way (through intermediaries or maintaining large teams of law, logistics, etc.).

2.1

What is 1000EcoFarms?

1000 EcoFarms is a global marketplace for B2B and B2C projects on the natural food market.

The 1000 EcoFarms project became the first global natural food marketplace which enable its users to make and accept payments for food with crypto currency.

The users of 1000 EcoFarms have access to the instruments of direct marketing and the possibility to sign agreements online, to make and accept various types of payment (by cash, credit cards, PayPal and crypto currency).

1000 EcoFarms offers its users unique services designed for business models such as: buying clubs, food coops, CSA and herd shares (for users from US). Users have access to the platform via browser, as well as mobile devices.

2.2

1000EcoFarms by the numbers

- Offices in the United States (Bethesda, MD) and Russia (Moscow);
- Over 4000 registered users;
- Over 650 sellers in the United States and Russia (approximately 50/50);
- Users registered on 5 continents (Canada, Mexico, Great Britain, Costa Rica, India, Australia, Malawi, Nigeria, Ukraine, Belarus, and others);
- Over 1500 products on the site;
- The sales start from October 2016. Growth in average 20% per month;

2.3

Potential of the natural food market

Over \$ 1 trillion. healthy food market worldwide (source: Euromonitor)

70% of customers in the United States willing to pay more for local products (source: ATKearney)

8669 of farmers markets in the United States. Growth by 98% over 10 years (source: USDA)

\$ 602 billion: grocery retail sales in the United States (source: Statista)

12-16% of all food will be sold online until 2023 (source: AT Kearney)

51% of customers believe that local products are underrepresented on the market (source: AT Kearney)

23% of agricultural sales are made on the farms with a turnover of less than \$250 k (source: USDA) Less than 16 cents from each dollar spent by the buyer in the products comes to the farmer in the United States (source: VDACS).

3

Structure and functionality of the FCE

The implementation of the FCE project involves creating several basic functions necessary for quick and low-cost transfer of the main traditional types of economic interactions among the various blockchain platform users:

- database in a distributed registry;
- own crypto currency – the Foodcoin (FdC) (FdC) *;
- multi-functional advanced crypto wallet – the Wallok **;
- own payment system – the DiPay (DP) ***;
- remote user verification – the DIGID ****;
- system for smart contracts multisign – the Smaco *****;
- product authentication – the Product Origin ID (PRORID) *****.

FCE will have a hierarchical and customizable system for the data access (personal, corporate, as well as smart contracts data, transactions, guarantees, etc.).

Each element of the FCE structure will represent a tool, organically linked with the rest of the platform, but capable to operate as an independent element.

In further detail, each element of the structure will be presented below.

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Technology

As a technological solution to build the FCE, Ethereum-based blockchain will be used for the first step. Later we will build our own blockchain to minimize costs for using of all our tools. We are going to create free food blockchain ecosystem for our customers. This technology is chosen mainly because it allows you to optimally combine a distributed database storage system, smart contracts and remote user identification on the platform.

Technically, FCE will provide a peer-to-peer network of associated nodes (for data processing and storage). Each node stores a complete copy of the FCE blockchain. These nodes are provided in the architecture of a private, as well as an open blockchain structure to maximize the protection against unauthorized modification of data.

A private blockchain structure model formed within a corporate entity will constitute a closed system and will be available only to users with private keys.

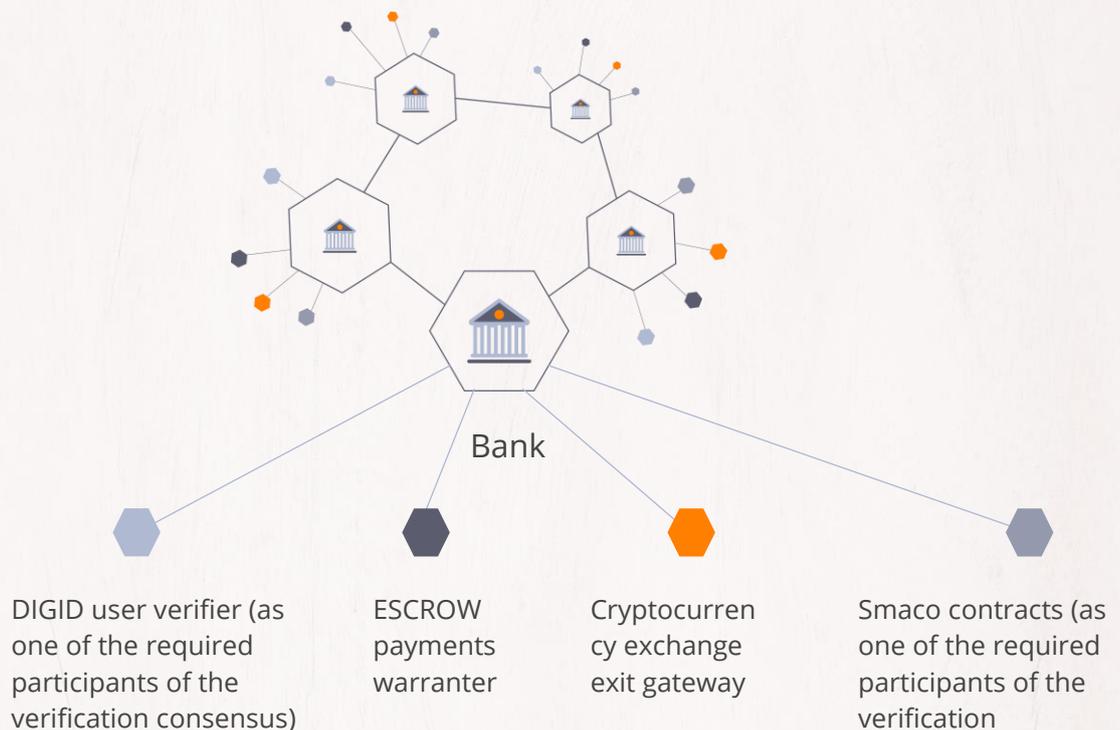
This mechanism will have a flexibly customizable hierarchical structure allowing to include or exclude from the monitoring and administration objects such as smart contracts, various departments and services within the company, as well as external parties, such as partner banks, insurance and logistics companies, customs brokers, revenue services, etc.

5

The concept of development

The advantages of the FCE concept consists in the fact that our easily scalable platform does not imply confrontation with traditional financial institutions, excluding the competition with them as the cause of counteraction from their part. Instead, FCE will offer banks a cooperation and a wide range of instruments to generate new sources of income and profit channels.

Banks will be offered a key role in the work of FCE:



To date, the banks have a reliable and a proven user verification system, both for legal bodies and individuals. For sure, the banks which serve FCE customers will be ready to confirm the accuracy of their customers in transactions. The loyalty to the FCE on the part of the banks will potentially generate a flow of new fresh and active clients. In addition, the banks will be interested in offering their new "digital" and "crypto" clients services like the warranter of escrow payments and an exit gateway to the cryptocurrency exchange markets.

6

Potential for cooperation

Since a major part of the FCE instruments refers to the fintech sphere, cooperation with traditional and online banks turns out to be an obvious perspective for the development of the platform. In addition, legal, insurance and logistics companies, numerous services of trade management on the local, national or international level, should be an extensive basis for cooperation.

Two key factors will motivate future partnerships:

- quick integration into the realities of the new global digital economy with new sources of income;
- the risk of exclusion from the trade transaction chain and reduction of the customer base with global implementation of blockchain.

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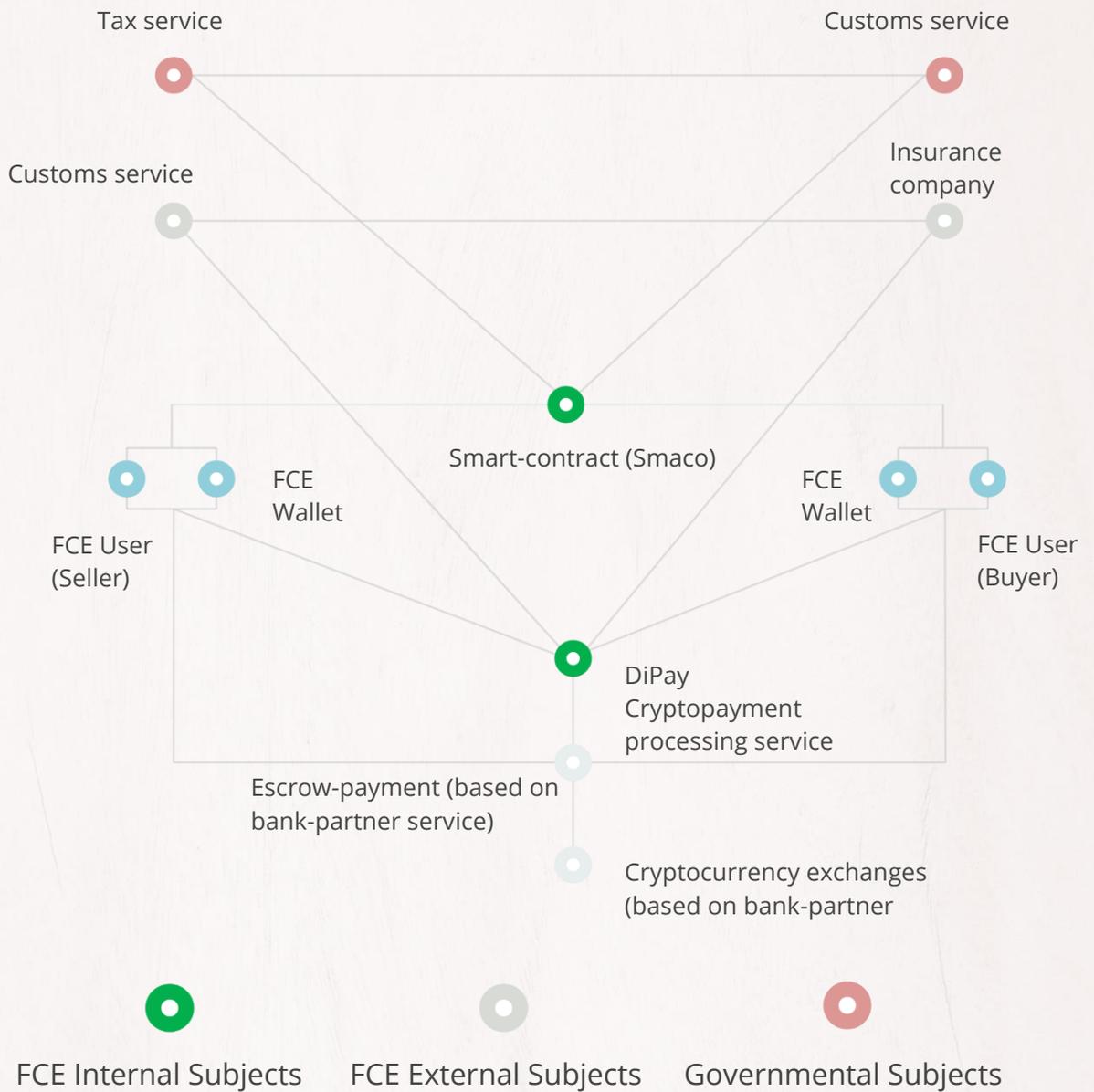
The scheme of FCE work

FCE will provide a set of instruments, originally created to work on 1000EcoFarms. In the middle of FCE will be smart contracts Smaco, easily customizable by the users for various tasks (with standard and optional features). The users will interact inside the platform through the Wallok cryptowallets. The partner banks will act as user verifiers and escrow payments warranters, and provide a convenient and fast access to the fiat currency conversion into the cryptocurrencies and back. DiPay payments processor will conduct fiat and cryptocurrency transactions quickly and easily.

Over time, the public fiscal bodies will automatically connect to the smart contracts for online monitoring of the business activity, eliminating potential fraud with taxes (customs duties, excise taxes, income taxes, etc.). Thus, the State structures responsible for the effective collection of taxes, will be interested in transferring real deals to the blockchain platform.

1000EcoFarms – Blockchain trading platform

User database with interactive map (personal and corporate Included)
DIGID (Digital Identity Verification Platform)



Road map

As a technological solution to build the FCE, Ethereum-based blockchain will be used. This technology is chosen mainly because it allows you to optimally combine a distributed database storage system, smart contracts and remote user identification on the platform.

Implementation of the FCE project will go through several stages:

1. Token Distribution Event. Pre-sale (August 2017)

This round is necessary for testing the concept of FCE among potential investors, and assessing the level of perception of the project.

2. Opening an Office in Switzerland (Crypto Valley, Zug) (October 2017)

Switzerland is one of the few jurisdictions loyal to blockchain projects. In addition, the economy of Switzerland is founded on three pillars: finance, agriculture, high-tech production. Thus, the two directions out of the three combine perfectly in our project. Therefore, Switzerland will be the starting point of the European direction in the development of 1000EcoFams and FCE.

3. Token Distribution Event. Sale. 1-st stage (November 2017)

At this stage, first Foodcoin (FdC) tokens will be issued. Launching DiPay payment processor and multifunctional wallet

4. Creation of DiPay, a payment processor, and launching multifunctional multisig wallet Wallok (December 2018).

5. Launching of Smaco – smart contracts for closed and open blockchains with flexible customizable hierarchy of access and administration (May 2019).

6. Creating of the DIGID technology (remote user identification) (December 2019).

7. PRORID – a products and goods origin authentication system (October 2020).

What is Foodcoin (FdC)?

Foodcoin (FdC) (FdC) is a token issued through Ethereum-based smart contract.

Emission of Foodcoin (FdC) is made to run own payment and financial FCE instruments and full local and international operation on 1000EcoFarms.

Foodcoin (FdC) tokens will be issued in several stages during the Token Distribution Event.

At the pre-sale stage, the Foodcoin (FdC) token will be distributed among the visionaries and enthusiasts who understand the need for implementation of the blockchain technology to the basic needs of society.

At the time of release to the stock exchange, the quotation of 1 Foodcoin (FdC) will be equal to ETH 0.01.

FdC 1 = ETH 0.01

Foodcoin (FdC) is not a type of shares nor other security papers, and cannot be considered as an investment tool.

Foodcoin (FdC) is an internal payment instrument to use on 1000EcoFarms platform and to ensure a seamless work of FCE.

The cost and value of the FdC may change over time, both upward and downward. The FdC will be available to be traded on various stock exchanges that will determine the cost and quotes against to other crypto and fiat currencies, according to the demand and proposal.

Foodcoin (FdC) cannot and should not be purchased for purposes other than the declared in the FCE program.

We warn that the potential risks of using Foodcoin (FdC) as investment or speculative tool completely fall on those who decide to use FdC for investments or speculations.

What is Wallok?

Foodcoin (FdC) is a token issued through Ethereum-based smart contract.

Wallok is a smart multi-level multi-currency wallet. You can create your own unique wallet on your smartphone and synchronize it with other devices (PC, tablet, smart watch, etc.)

Functional FCE Wallet will allow users to:

- Open multi-currency accounts in fiat and crypto-currencies
- Issue invoices and pay bills
- Use only one or both of wallet levels (Vault or Air)
- Make instant and free transactions (on Vault level)
- Get access to exchange operations and conversion of fiat and crypto-currencies
- Use the integrated messenger

Vault is the most secure level of storage and flow of funds, which will be held in under the platform and among the Wallok users. Transactions that take place between Wallok users at the Vault level, may have an additional confirmation function.

Air is the level for advanced blockchain users conducting external payments with the external wallets.

A Wallok wallet will have an implementation for using them in business and personal tasks.

What is DiPay?

Foodcoin (FdC) is a token issued through Ethereum-based smart contract.

DiPay is a 2-level cryptopayments processing service.

As part of DiPay processing, the following features will be available:

- creating mobile multi-sig cryptowallets;
- safe cryptoassets storage;
- free and instant payment platform;
- option of withdrawing assets in fiat currencies;
- option of issuing and receiving bills/invoices
- buying and selling cryptocurrencies in online mode;
- recurring payments;
- binding to bank accounts and cards;
- integration with third-party software (for restaurants, accounting, inventory control, etc.).

For the implementation of DiPay, partner bank will be connected in blockchain-loyal jurisdictions. DiPay will have an API to connect to third-party services and resources.

What is DIGID?

Foodcoin (FdC) is a token issued through Ethereum-based smart contract.

DIGID (Digital Identity Verification Platform) is a remote user verification system built on a decentralized Ethereum-based blockchain platform.

Full application of blockchain technology in the business environment would be impossible without powerful and secure user identification tools.

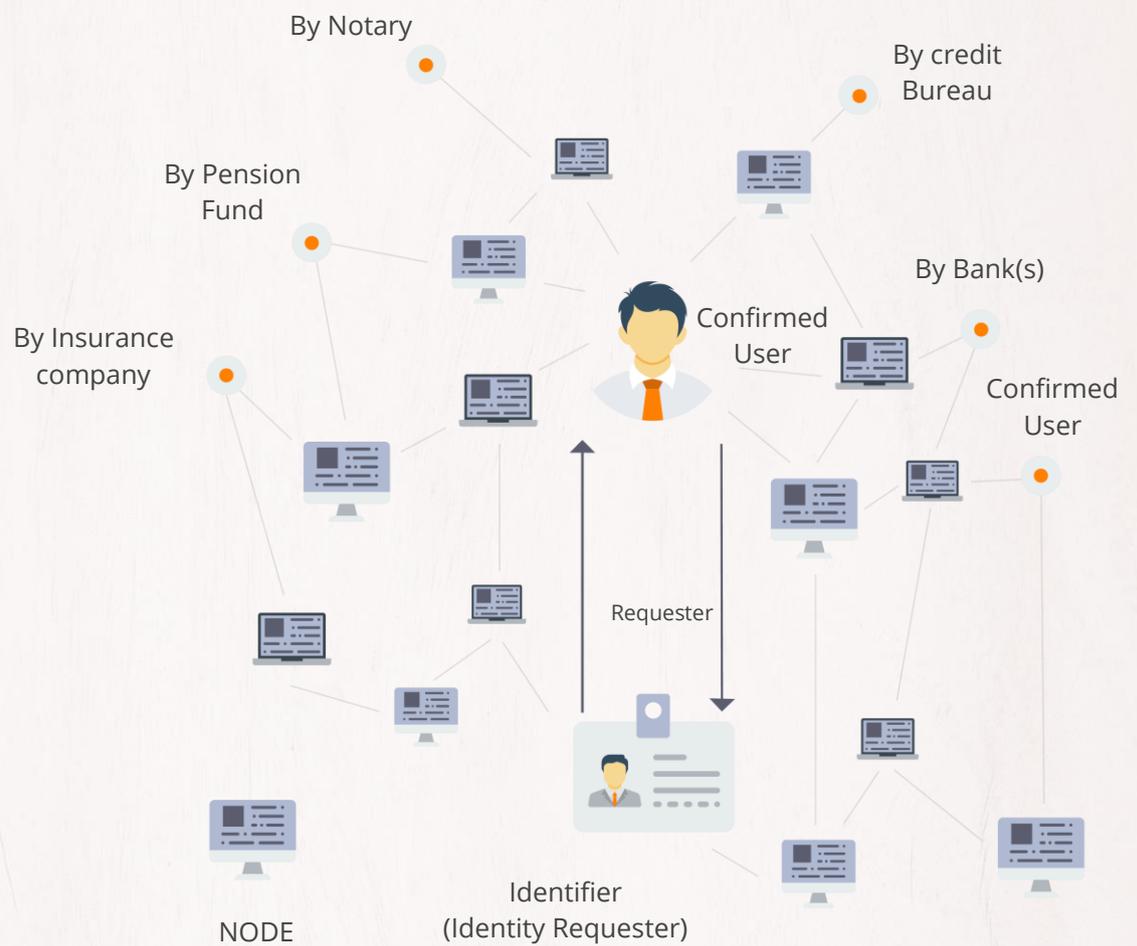
User identification will be voluntary, but at the same time, an essential condition to participate in the platform in its business implementation.

How the users is identified?

- The parties to a smart contract transaction can request a one-way or mutual verification to the other party to the transaction. For this purpose, parties to a transaction exchange DIGID username public keys (tokens). In order to get a full DIGID, the user will have to obtain a confirmation of its profile from a third part platform user.
- The user is identified only once and it remains so in the system as a digital entry forever, and can be requested automatically during the verification request.

DIGID

Digital Indentity Verification Blockchain Platform



What is Smaco?

Smaco (Smart Contract) is a flexibly administered smart contract with the function of multiple inputs and outputs. Smaco will have a integrated horizontal and vertical connections between the transaction parties.

A smart contract will be managed by one or more administrators. A hierarchy with permissions will be configured by a FCE user who created the smart contract.

All administrators horizontally integrated in the current smart contract, will have the same rights and cannot be removed or restricted in smart contract management rights after signing it.

Each administrator will be able to create a vertically integrated private blockchain for personal service within the current smart contract. The administrators will not have access to private blockchain of another administrator.

Additional parties of the transaction can be invited by the administrators of on their own initiative or on the basis of consensus, and become either parties or verifiers of the current smart contract.

An open library of standard Smaco contracts will be created with an intuitive interface for connecting additional options. Creating and maintaining Smaco contracts will not require programming skills. Working with Smaco will be usable for everyone.

What is PRORID?

PRORID is a products and goods origin authentication system. Actually, PRORID will be a type of Ethereum-based smart contract.

An essential condition to prove the origin of the goods or product in the

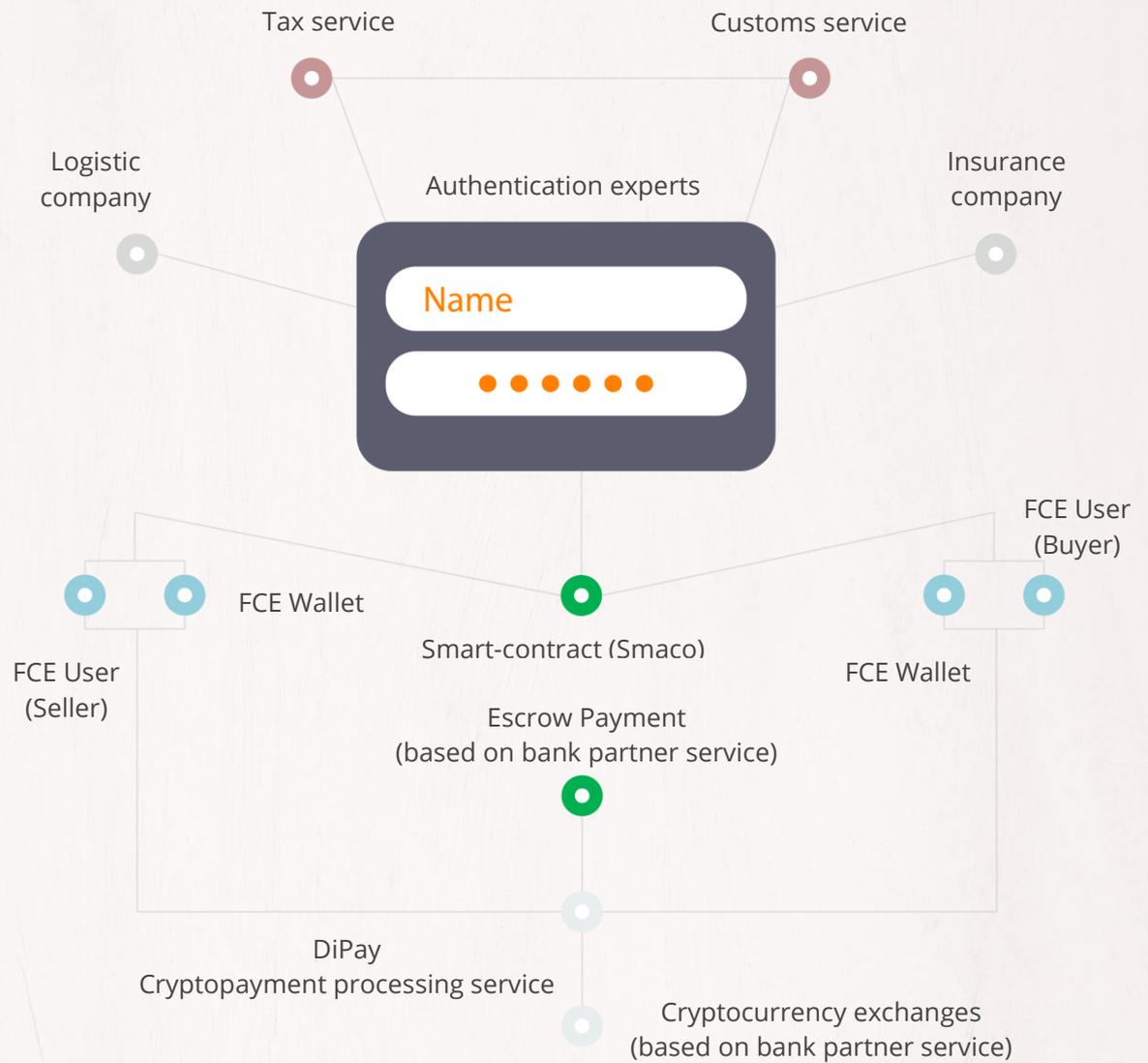
PRORID system will consist in signing a smart contract by one or more experts (public, commercial or private) with an undisputed authority in matters of origin authentication of the goods that are the subject of an agreement in the framework of the current Smaco contract.

If a smart contract include a PRORID feature, the logistics company will be obliged to accept the goods only after confirmation from the experts on the current smart contract based on the consensus between the parties of the contract.

PRORID integration with the electronic databases of public fiscal, customs and supervisory authorities will significantly limit the circulation of illegal, counterfeit and other illicit trafficking products and goods, thus making a significant contribution to the fight against economic crimes.

PRORID

Product Origin Identity Service



Conclusion

This document set out a conceptual vision of ecosystems FCE. This concept is based on the understanding that the dynamic changes in the mentality of consumers have an equally dynamic and often dramatic impact on numerous markets. All the elements of sales chains are experiencing discomfort from changes (from small farmers to large banks and insurance companies). Creating and developing the 1000EcoFarms platform, we can see how users' requests change. The consumers are no longer willing to restrict themselves by the established frames which may now be called obsolete. We see the solution in the use of new technologies and their implementations.

Blockchain technology is certainly promising and is at a very early stage of its development. We strive to create a workable and comprehensive solutions for personal and corporate use.

The decision to issue our own cryptocurrency in several steps should demonstrate the relevance of this concept on the one hand, and to enable smooth out excessive volatility on the other, in case of high demand.

Creating and developing the Foodcoin ecosystem, comfortable and useful for many purposes, we accelerate the beginning of a new era of development of the food production and consumption market.