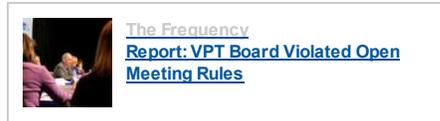




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The Salt

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Order Up! Food Businesses Find An Appetite For Bitcoin

By EDITOR

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Hungry for a Philly cheesesteak or a hot Reuben sandwich? That'll be about 0.001 bitcoin, please.

From restaurants to breweries, to even your [local farmers market](#)



<http://mediad.publicbroadcasting.net/npr/201402/276596354.jpg>

Bitcoin isn't just for shady business — it can also buy you some delicious goodness. The Old Fitzroy pub in Sydney is one of many food and drink businesses beginning to accept bitcoins as a valid method of payment.

Credit Cameron Spencer/Getty Images

<http://www.npr.org/blogs/thesalt/2013/11/08/243970494/have-bitcoin-to-burn-next-stop-could-be-the-farm>) and [lemonade stand](#) (http://www.reddit.com/r/Bitcoin/comments/1u1g2u/these_adorable_little_girls_just_sold_me/), the popular cryptocurrency has inched its way into the food industry, as more vendors consider it a valid form of payment.

Unlike cash or credit, bitcoin is an invisible currency that exists only online and can be transferred from person to person sans a centralized government or bank.

Today, you can use the virtual money to order Thai food and pizza through services like [Foodler \(Foodler\)](#) and [Pizza For Coins](http://pizzaforcoins.com/). There's a Subway in Allentown, Pa., that will gladly trade you a toasty 12-inch sub for the intangible currency. And sprinkled throughout the country are a handful of food trucks that have been testing bitcoin out in the streets.

Heck, you can even use bitcoin to prep for a zombie apocalypse at [SurvivalFood.com](#) (<http://www.survivalfood.com/bitcoin/>).

And that's just in the U.S.

Overseas, you can spend the currency at the [Pink Cow](http://www.thepinkcow.com/) cafe in Tokyo, [Burger Bear](http://burgerbear.co.uk/) in London or the [Old Fitzroy](https://www.facebook.com/TheOldFitzroyHotel) pub in Sydney, all of which are among the firsts to accept bitcoin in their respective cities.

The digital currency is a welcome alternative to credit cards for many small businesses. There's little risk in setting up a [bitcoin wallet](https://bitcoin.org/en/choose-your-wallet) for

customers to directly transfer money into, and it beats the 3 percent merchant fee that vendors are charged for each credit card transaction.

As the [Huffington Post reports \(http://www.huffingtonpost.com/2013/01/23/credit-cards-restaurants-cashless-dining_n_2482242.html\)](http://www.huffingtonpost.com/2013/01/23/credit-cards-restaurants-cashless-dining_n_2482242.html), last year 81 percent of money spent in American restaurants was charged to debit, credit or prepaid cards.

UPDATE: Since we first published this post, we've gotten new data from market research firm Euromonitor. Apparently, the numbers are even higher: Some 93 percent of sales at full-service restaurants were paid for in plastic in 2012.

"If you look at all of the transactions and all of those costs, they really add up," says [Campbell Harvey \(http://www.fuqua.duke.edu/faculty_research/faculty_directory/harvey/\)](http://www.fuqua.duke.edu/faculty_research/faculty_directory/harvey/), a financial economist at Duke University. So Bitcoin, he says, "actually is an innovation that could potentially get rid of these transaction costs, and that makes it valuable."

But saving money is only part of the reason. For the owners of [Peruvian Brothers \(http://peruvianbrothers.com/\)](http://peruvianbrothers.com/), the first bitcoin-friendly food truck in D.C., it's all about giving their customers options.

"In the food truck [business], we're all about allowing our customers to purchase their food any way they'd like," says Peruvian Brothers co-founder Giuseppe Lanzone. "And now, having them pay with bitcoin is a different way to do it."

To pay, customers simply scan the QR code on the food truck, which reflects the real-time exchange rate between bitcoins and dollars, and hit send.

Then there's the even bigger incentive: the potential profit from how much the value of a bitcoin fluctuates.

That's what got Wesley Kaake, owner of the [House and Hunger \(http://www.houseofhunger.com/\)](http://www.houseofhunger.com/) food truck in Minneapolis, interested. They made their first sale in bitcoins back in May 2013, selling a sandwich and fries for \$10 worth. At that time, he says, one bitcoin was worth roughly \$80.

When Kaake talked to The Salt, the value of a bitcoin had surpassed \$800. "So holding on to that transaction alone, now knowing that it's 10 times that itself, I really did make a profit," Kaake says.

Since then, he's had a little under a dozen similar transactions — mainly from the more tech-savvy crowd — and currently owns about 0.7 bitcoin altogether. Kaake says he has no plans to convert it to U.S. dollars until he hits a full bitcoin.

But just as the fluctuation can take you from rags to riches, bitcoin transactions can also go downhill for merchants. The value of the digital currency fell in the first week of February from a steady \$850 to \$700, according to [CoinDesk \(http://www.coindesk.com/price/\)](http://www.coindesk.com/price/), which tracks current bitcoin prices. Currently, the value hovers around the low- to mid-\$600s.

"As a store of value, Bitcoin is very unreliable today," Harvey says. "It is 10 times more volatile than the changes in the price of gold. It is 20 times more volatile than holding U.S. dollars."

That's why some food merchants, like Lanzone and his brother, Mario, have opted to cash in their bitcoins right after they make a sale.

The future of the 5-year-old bitcoin is still uncertain. Millions of dollars' worth of bitcoins were seized from the infamous bust of [Silk Road \(http://www.npr.org/blogs/alltechconsidered/2013/10/03/228579712/the-man-behind-the-shadowy-illicit-drug-market-silk-road\)](http://www.npr.org/blogs/alltechconsidered/2013/10/03/228579712/the-man-behind-the-shadowy-illicit-drug-market-silk-road), a shadowy illicit online marketplace, and bitcoin prices have taken a nosedive in the past months. Just last week, a glitch in Mt. Gox, the leading bitcoin exchange site, made prices drop once again.

Bitcoin may be the highest-profile and most widely established of all digital currencies, but more than [100 different kinds](http://coinmarketcap.com/) exist, and Harvey says the concept of cryptocurrency may not be going away anytime soon.

"The basic idea is a good idea," he says. "That is, to make the exchange of ownership more efficient."

So what if — knock on wood — Bitcoin does become obsolete? Kaake says he won't have any regrets.

"Ultimately, I can at least say that I was a part of it," he told The Salt, adding that he has faith that the bitcoin is here to stay.

"I do see more regulations coming and a lot more of an uphill battle for it," he says. "But I guess I don't have a fear that it will go away completely and lose all of its value."

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