Bitcoin May Be Frustrating, But Marijuana-backed Coin Sounds Interesting

By nikhil gupta

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101 shares

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Story Highlights

- Bitcoin substitutes such as CannabisCoin, Urocoin, and HayekCoin are gaining traction
- Coins are backed by Gold, Fertilizer, and Marijuana

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If cryptocurrencies like Bitcoin, Litecoin, and others, are too volatile for you, then maybe its time to look out for safer coins.

Accepting the fact that Bitcoin and other cryptocurrencies have an inherent volatility risk, creative crypto-thinkers are working on numerous projects to create currency standards which will be backed by physical commodities such as gold, marijuana, and urea.

The online marketplace to buy and sell precious metals such as gold and silver, Anthem Vault, is planning to launch a gold-backed crypto-coin, the HayekCoin in May. Since it will be backed by gold, users can redeem it for 1 gram of gold at the market price, and the company is promoting this as the USP.

Cryptocurrencies backed by gold have been gaining strong traction. Nofiatcoin, the gold and silver-backed digital currency launched last year, has managed to stay strong—even during the 80% crash in Bitcoin price.

Nofiatcoin is actively traded and has witnessed a remarkable jump from its launch price of $1 to near-$58 on April 1.
Among the most interesting cryptocoins are the ones backed by medical-grade cannabis and fertilizers.

**CannabisCoin** is a cryptocurrency which is backed by 1 gram of pharmaceutical-grade marijuana. This currency has found active attention from the trading community on the cryptocurrency exchange Bittrex.

Another commodity-backed cryptocurrency which has been seen as a substitute for the volatile Bitcoin is Uro Foundation’s UroCoin. This coin is pegged to the value of 1 metric ton of widely used fertilizer, urea.

Co-chair of the global payments practice at renowned law firm Manatt, Phelps & Phillips Carol Van Cleef expects over 2000 cryptocurrencies in the future.

“We may end up with over 2,000 cryptocurrencies. And some will be commodity-backed,” he says.

Professor of Finance at Duke University Campbell Harvey sums up the whole development in simple words: Bitcoin is too volatile which is why alternatives are springing up.

Image: www.proofofdev.com
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