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## Cloud Mining Vs Physical Mining

Hello reader,

Apart from the idea that cloud based mining is nothing but a scam, there are few reasons to count out this singularly useful approach to crypto mining. While it is true that many so called cloud mining platforms weren't entirely legitimate - the ones that are have quite a reputation. A great example of this is [Genesis Mining](#).

Genesis Mining has been around since 2013 and while many of it's users actively debate about the profit difference between the service and physical mining, it remains one of the biggest mining operations on the internet. A standard contract for \$30 might only bring a return of \$0.10 per day depending on the allocation, but this scales with the investment price nicely and can be used to diversify from a physical mining operation while certain markets are hotter than usual - e.g. litecoin or ethereum.

### Hashrates are the units of mining power and there are many terms that new users should be familiar with:

- MH/s - Megahash per second (a bit like megabytes vs gigabytes, terabytes, etc)
- GH/s - Gigahash per second
- TH/s - Terahash per second
- PH/s - Petahash per second

To mine at home with anything over one Terahash per second would cost [around \\$699.00](#). To mine at that rate for bitcoin indefinitely on genesis mining would cost \$150.00 at the time of this article.

It becomes easier to envision a scenario where you have a physical rig for one kind of mining, and after a few changes in the market a cloud contract for another. This would be hybrid mining - and some platforms are set up to account for this approach. Miner's Gate for example is a pool of miners and also offers cloud mining.

### So which is better?

A strong case can be made for physically mining script - but it becomes harder and more expensive as time goes by to mine actual bitcoin. Script mining like litecoin is actually fairly inexpensive to mine as is ethereum. Unfortunately this may change as their values change, and as ethereum for example is ASIC resistant the way to do it effectively is GPU mining.

That said cloudmining makes bitcoin possible to mine for less than physical mining, so in a way both are better. That said doing both may be the best approach and it will certainly be my approach.

\*Featured image courtesy of wikicommons - Butterfly Labs 60GH Bitcoin Miner Single SC

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