

# Memphis cotton exchange branches into ag technology

**Ted Evanoff, USA TODAY NETWORK – Tennessee**

**The Commercial Appeal**

Published 6:00 a.m. CT Nov. 22, 2017 | Updated 5:35 p.m. CT Nov. 22, 2017

Led now by its hospitals, tourist spots, airport and miles of distribution depots, Memphis' old way of life as a cotton trading hub can seem long forgotten.

But walk back with Mark Pryor to a big room lined with a 50-foot-long white board and a 500-pound bale of cotton.

This classroom occupies a key place inside the head offices of The Seam LLC, a little-known East Memphis firm that rose in the cotton trade and now aims to become a larger force in the city's tech economy.

Pryor, chief executive of The Seam, plans to expand the 19-employee firm into a supplier of technical knowledge to cotton, peanut, cattle and other farm producers worldwide.

Seated in front of that long white board, producers, traders and agribusiness executives could take notes about blockchains, market data, software and information such as learning soil-nutrient levels in a particular field.

"We're seeing ag businesses don't want to be in technology. They want to be in the ag business," Pryor said. "We want to be the tech provider for ag businesses."

Software already has surpassed market data in revenue for the 17-year-old firm, which houses a spot market for cotton buyers and sellers worldwide. Total revenue this year will surpass \$5 million, Pryor said.

When the Greater Memphis Information Technology Council hosted a recent panel to explore a newfangled idea named blockchain technology, it convened a notable list of tech speakers, including Pryor.

Who is he? He's a cotton guy – or rather, the modern variant of one.

Pryor doesn't grow, buy, sell, ship, gin, mill, knit or sew cotton. But as the chief executive of The Seam, he has made a living like a few thousand other Memphis office hands plugged into agribusiness finance, distribution and technology.

Created by four major cotton firms in 2000, The Seam quietly set up a worldwide cotton exchange for buyers and sellers on what's called the cotton spot market.

The Seam's spot market resembles the historic Memphis Cotton Exchange on Front Street. Only the old exchange, now a museum that is the last piece of Downtown's Cotton Row, relied on telephones and Western Union telegraph operators. If a Delta grower had just sold a dozen bales to a Greenville merchant, the price

information moved by phone and telegraph to Memphis and was chalked up by hand on a long blackboard that was at the heart of the Front Street market.

Pryor, 48, a Southaven-area native, graduated from State Technical Institute at Memphis and landed at Share One, a Memphis supplier of processing technology and software to credit unions. Morgan Keegan, the investment bank now named Raymond James, hired him to help lead its fixed income operation's wider use of software for the internet.

The Seam's organizers recruited him for its original task – launching the spot market on the internet. This replaced the market laboriously kept on mainframe computers run by Plains Cotton Cooperative of Lubbock, Texas, one of The Seam's founders.

Housing the market in Memphis made sense. Cotton Row's smaller merchants are gone, though the legacy of the era remains on the east side, home to the National Cotton Council, the American Cotton Shippers Association, Cargill Cotton, Dunavant Enterprises and Louis Dreyfus Co.

Not quite sure what to name their startup in 2000, the four founders – Cargill, Dreyfus, Dunavant and Plains – settled on The Seam as an apt description. Pieces of fabric touch at the seam, and so do merchants and mills trade at a specific place like a seam.

"Everything the companies were hearing told them it was time to come together and form an independent company for the industry," Pryor said.

Just as Western Union telegraph operators and chalkboards gave way to faxes and mainframes, and then to the internet, there is a move afoot again to what is called the cloud

Actually a series of mainframe computers, they are located in a variety of places throughout the world and available for lease. Because of the low lease costs, The Seam has expanded beyond cotton the peanut industry.

Crop information relayed to The Seam from a peanut buying point can be sent to the farmer's cell phone app. If the buying point finds excess moisture in the peanuts, for example, The Seam's app can alert the grower. The farmer might choose to delay the harvest and let the field dry.

"It allows him to make a decision while he's on his tractor in the field," Pryor said, noting similar information can be furnished such as soil nutrient levels.

Software has surpassed cotton exchange revenue for the first time. The peanut industry, which this year harvested a record U.S. crop, accounts for half the software business, Pryor said.

Last spring, The Seam moved from a Park Avenue office near St. Francis Hospital into 12,000 square feet fronting TPC Southwind, a private golf course near FedEx Corp.'s World Headquarters building.

Drawing the firm to this particular location was that long classroom with the 50-foot white board on the wall. A cotton bale ginned by Double-B Gin of Randolph, Miss., roots the firm in its history.

Exactly how the firm grows will be worked out in strategy sessions slated over the next few months.

"I don't see demand for service plateauing for the foreseeable future," Pryor said.