

TRADING ON TWITTER

How Twitter Is Transforming Trading in Commodities







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Passing through Giltner, Neb. early last August, farmer Mike Haley used his Twitter account to post a message, or tweet, about a particularly robust corn crop.

 Farmer Zach Hunnicutt tweeting.

Photo by: Jesse Bergman

Farmer Zach Hunnicutt tweeting.

"If I was @zjhunn or @cornfedfarmer I would be smiling, best corn iv seen is their area!"

What may have seemed like a passing compliment turned into a \$200,000 profit.

The harvest belonged to brothers Zach and Brandon Hunnicutt—known on Twitter as "zjhunn" and "cornfedfarmer" respectively—fifth-generation south central Nebraska farmers who raise corn, soybeans, and popcorn on their 3,500 acres they share with their father and neighbor.

To Zach Hunnicutt, Haley's tweet was a revelation. "We knew by that point that we weren't going to have as high yield as we hoped for," he said in a recent interview. "We knew that if ours might be the best out there," he added, "that gave us the confidence to maybe hold out a little bit—for prices to go higher."

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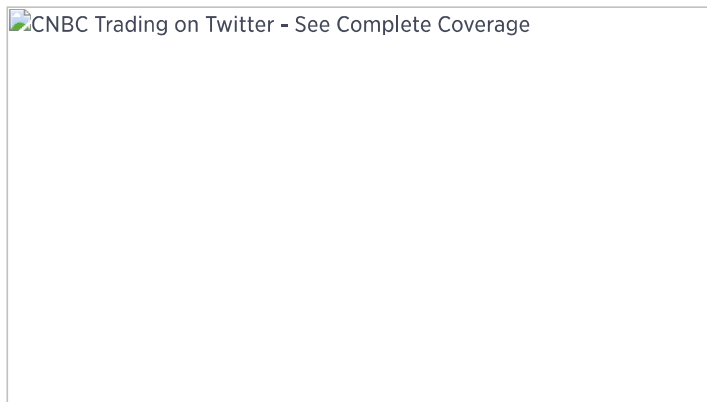
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Corn prices, in fact, spiked nearly 50 percent between Haley's tweet and the end of the year. By the time the Hunnicutts sold their corn in December, they were able to lock in an additional \$1 per bushel, Zach Hunnicutt estimates—generating another 20 percent, or \$200,000 or so, in profits. And about half of last year's corn harvest is still in storage.

The back-and-forth between the Hunnicutts and Haley, a grain and cattle farmer in West Salem, Ohio, is part and parcel of the way in which Twitter is **revolutionizing agriculture markets** in the U.S.

Once a convenient outlet for boredom on the tractor, tweeting with fellow farmers has become a way for the participants in a far-flung and isolating business to compare notes on everything from weather conditions to new fertilizers. And now, commodities brokers and traders are paying close attention.



"A lot of time farmers are talking to other farmers and I'm sitting there listening," says Thomas Elwood, aka [@cornbroker](#), who trades corn and other grains on the floor of the Chicago Mercantile Exchange. "Twitter is kind of like a big coffee house," he said.

To grains traders looking for any kind of edge in the markets, Twitter has become a game-changer. Whereas agricultural brokers and traders once spent hours conducting telephone surveys with farmers or embarking on so-called windshield surveys, in which they drove down Interstate 80 during harvest season to eyeball crops, they can now gather real-time updates on planting intentions and yields on Twitter.

About a year and a half ago, Tom Grisafi, who trades commodities from his basement office, put up a screen dedicated solely to Twitter feeds in his Valparaiso, Indiana home—right next to the more traditional screens showing corn and other grain prices. Six months later, he asked an analyst to monitor it regularly.



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Grisafi, known as [@IndianaGrainCo](#) on Twitter, says he tweets with at least 15 farmers on a regular basis to check on crop conditions. “They’re really good about getting back to me on how much rainfall they received, what crops they’re planting, how the weather is,” he said.

Given that weather can vary dramatically across a given region, he says Twitter is particularly helpful in discerning where, for instance, a rainfall has been hardest.

Launched in 2006, the closely-held Twitter now boasts more than 200 million accounts and typically posts more than 130 million unique messages per day. The company’s of-the-moment tweets are now being used to track a multitude of trends, from potential box-office results to flu outbreaks.

But Twitter spokesman Matt Graves said the commodities market chatter and other projects aren’t the company’s focus. “We’re aware of that stuff,” he said in a phone conversation, “but we’re just about providing a platform where people can connect.”

Watch Kate Kelly’s [“Trading on Twitter”](#) reports, Tuesday, March 8, on *Squawk Box*, *Squawk on the Street* and *Power Lunch* and Wednesday, March 9, on *Squawk Box*, *The Call*, *The Strategy Session* and *Fast Money* on CNBC.



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