

# Trade barriers fall as abalone farms grow

## Santa Cruz company expands to meet Japanese market demand

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SANTA CRUZ — It's amazing how trade barriers fall when a country really wants something.

"It's not like trying to sell a car," said Dave Ebert, of US Abalone, a Westside abalone farm. "When there's a product (the Japanese) want, the barriers disappear."

Right now, the Japanese want abalone — farm-bred red abalone. One company buys 85 percent of the output from a farm north of Morro Bay, the largest in the state. Other companies are looking for new sources. Japanese buyers talk in terms of metric tons a week, according to Tom Ebert, president and chief executive of US Abalone.

"Demand is exploding with the decline of the natural abalone out in the wild," Ebert said. The company receives constant calls from agents representing Japanese firms looking to buy as much abalone as the young company can supply, he said.

To meet demand, the 4-year-old company on UC Santa Cruz property adjacent to Long Marine Lab is preparing for a three-fold expansion.

US Abalone sits on about two acres and plans to expand to about six, said Tom Ebert, company founder. Ebert, 31, his brother Dave, 33, and their father Earl are the company's full-time employees. Four others work part time.

US Abalone currently sells everything domestically — 100-200 abalone a week to local restaurants. It features two sizes, 2½-inch "cocktail" and 3½-inch "entree" abalone, weighing about 100 grams in shell and 50 grams without shell. The animals are sold live in the shell. Abalone costs about \$14 a pound, with four to five animals making a pound.

The company uses greenhouses constructed by Ocean Genetics Inc., a well-financed aquaculture company that planned to grow seaweed. That company went bust about 3½ years ago when the major investor pulled out in a dispute over the company's direction. Before it failed, Ocean Genetics spent about \$1 million on greenhouses, sea water pumping and plumbing infrastructure. It also obtained all the requisite permits for coastal dependent aquaculture.

US Abalone basically walked in and took over a portion of the facility 2½ years ago. Growth so far has been self-financed. Now the

Eberts are looking for investors to finance the company's next big step. Tom Ebert figures he needs to raise about \$500,000. He would like to be able to produce 1 million pounds a year at full operation.

The Eberts have two more years on a pilot lease with the university. Talks will begin soon on a longer lease after a master plan for the Long Marine Lab is completed in July. The university owns 40 acres of which a portion is protected wetlands, said Steve Davenport, management services officer for Long Marine Lab. The university supports aquaculture on the land and "it looks good for a moderate extension" of 10-15 years on the lease, Davenport said.

Young abalone grow in plastic tubs stacked three layers high in a greenhouse. Older abalone grow



Edible gastropod sea mollusks are considered a delicacy.

outside in larger tubs, feeding on seaweed. "You just put water in one end and drain it out the other," Tom Ebert said.

US Abalone has about 250,000 animals in Santa Cruz and another 350,000 in the ocean at Pillar Point, he said.

Abalone farming has two stages: hatchery and grow out. Hatchery is the tough part. The Eberts select mating pairs to produce larvae. By five months old the abalone are pebble sized. Grow-out to market size, which can take three to four years, is a matter of keeping the water pumping and the seaweed coming.

Tom and Dave Ebert are expanding on the pioneering work of their father who is the acknowledged master of raising abalone, according to his sons. "We essentially grew up working on an abalone farm," Dave Ebert said. Both sons obtained master's degrees in marine biology. Dave Ebert holds a doctorate.

"The natural fishery is on the verge of collapse, said their father, Earl, who monitored coastal abalone stocks during a 25-year career with the state Department of Fish and Game. He retired from the department last year and joined his sons in business.



Shmuel Thaler/Sentinel

From left, Tom, Dave and Earl Ebert shove seaweed into tank to feed thousands of abalone growing inside.

"I wouldn't have left the department if I didn't think there would be potential," he said.

Ebert said he could see the beginnings of trouble with the natural abalone population in 1966. The department began increasingly strict limits on season, size and take. The natural population con-

tinues to decline, a worldwide problem with the possible exception of Australia where an abalone license is more valuable than a seat on the New York Stock Exchange — \$250,000, Earl Ebert said.

The solution was to begin raising abalone. Earl Ebert started experimental programs in 1970. After two

decades of public and private research, there are between 12 and 15 commercial ventures operating in the state today. One notable local farm, Pacific Mariculture, is located on the north coast between Santa Cruz and Davenport. Another company is getting started in Monterey.