

# SAN DIEGO BUSINESS JOURNAL

## Return of the Tuna

### Catalina Offshore's Locally Harvested Product Draws Commercial Boats Back

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Published June 15, 2017

San Diego — The first two El Niño weather cycles nearly ended Dave Rudie's tenure as a seafood seller.

But the founder of Catalina Offshore Products Inc. was ready when the third ocean-warming event arrived. He was no longer reliant on the sea urchins that were once his top sellers – and most susceptible to the changes in ocean temperatures that accompanied the periodic weather phenomenon.

He had diversified the business and started selling other wild seafood species found off the West Coast and Baja California.



And now the company's success – it reported \$16 million in revenue the last two years – is drawing commercial U.S. tuna boats back to San Diego for the first time in years.

### History of Tuna Industry

San Diego was once the “Tuna Capital of the World,” its coastline peppered with canneries and its waters with fishing boats.

“There were so many tuna canneries here in San Diego that one had its own tuna can manufacturing plant,” said Catalina fishmonger Tommy Gomes, whose father was a commercial fisherman. “You would walk around this city and it was owned by the military and the fishermen.”

But the last of the canneries shut down decades ago, unable to beat the prices offered by foreign competitors who could pay their laborers less or to alleviate environmentalists' concerns over porpoises caught in their nets.

Still, San Diego remains home to companies that sell massive amounts of tuna, including Bumble Bee Seafoods, owned by the British private equity group Lion Capital, and Chicken of the Sea, the San Diego-based division of Thai Union Group, the world's largest canned tuna producer.

#### **CATALINA OFFSHORE PRODUCTS INC.**

**CEO:** Dave Rudie

**Founded:** 1977

**Headquarters:** San Diego

**No. of local employees:** 100

**Description:** Seafood purveyor and buyer of wild species from the West Coast and Baja California

## **Market for Sea Urchins**

But Rudie didn't start out purveying the fish that once helped put San Diego on the map.

He launched Catalina in 1977 as a college student majoring in marine biology, an academic area he picked after falling in love with the ocean thanks to scuba lessons in high school. During college, he continued diving on weekends, and soon learned sea urchins were decimating kelp forests in the area. Local clubs asked their divers to kill the spiky-skinned invaders.

But then Rudie heard something even more intriguing: there was a market for the maligned marine invertebrates.

Soon, "I went from college student to sea urchin diver," Rudie said.

He got a boat and started a seasonal business selling sea urchins in the winter months and red algae, a type of seaweed, through summer.

It was the El Niño of 1982-83 that spurred him to find a new source of income after the customer buying up most of his sea urchins went out of business.

He decided to learn to process the sea urchins, rather than simply sell them, so he could vend their savory uni to sushi bars.

"That's when the business really grew, because I was able to ship the final product to Japan," he said. "I hired more employees and started buying sea urchins off my friends who were divers."

In 1998 – with another El Niño underway – Rudie moved the company into its current location on Lovelock Street, near Morena Boulevard. That challenging time prompted his decision to transform the business by starting to sell other locally harvested seafood, from seabass to swordfish to scallops.

## **Local Demand**

Fish that diners may be used to seeing on the menu – salmon and tuna being the most common – haven't historically been big sellers for Catalina because they aren't easy to find locally.

But about four years ago, a group of Hawaiian fisherman who had found a spot teeming with tuna nearer California than Hawaii reached out, asking if the company was interested in buying their tuna. Rudie said yes.

Recently, a line of the massive fish – 20,000 pounds worth – covered a table in Catalina's cutting room, taken earlier in the day from the Hawaiian fishermen's boats.

The range of species the company now sells allowed it to more easily weather last year's El Niño.

"This last one has been a little challenging also, but at this point we are more diversified so we had a whole range of seafood, and we had the tuna. If we had been doing just sea urchins when this last El Niño came through, it probably would have put us out of business."

## **Sustainable Approach**

Gomes, who comes from a long line of fishermen, says Catalina takes pride in advocating for sustainable fishing, buying mainly from U.S. sellers, who are federally regulated, as well as Mexican fisherman who use sustainable methods. He likes to use as many parts of the species Catalina sells as possible, and encourage others to do similarly.

That – plus a healthy heaping of nostalgia – was among the factors behind the company’s decision this year to launch of its own brand of canned tuna. Catalina is selling U.S. hook-and-line wild-caught Eastern Pacific bigeye and yellowfin and a smoked version, both packed in olive oil. Selling canned tuna allows the company to use pieces that would otherwise be discarded.

The can features a cheeky image of Gomes planting one on a tuna fish – a design which was done secretly as a surprise for the fishmonger, who started with the company nearly 15 years ago on the fish cutting floor and today acts as its public face, spokesman and mascot of sorts. (Officially he’s in charge of sales, marketing and public relations.)

Rudie says it was Gomes’ filleting skills – traceable to his position in a long line of fisherman – that got him in the door at Catalina.

Gomes has since launched Collaboration Kitchen, the city’s longest running pop-up dinner series; served black cod liver and swordfish bone marrow to the Travel Channel’s “Bizarre Foods” host Andrew Zimmern; and opened the Seafood Education and Nutrition Center, which houses Catalina’s fish market, in the company’s 30,000-square-foot building at the end of Lovelock Street.

Gomes also is close with a number of well-known local chefs, some of whom text him their orders directly. They also visit him in the fish market; on a recent day, no fewer than five chefs browsed the market, shoulder-to-shoulder with home cooks, picking up fresh fillets for that night’s meal.

“Chefs come in all the time – every day, all day,” he said.

### **‘Heritage of the City’**

Among those who work closely with Gomes is Rob Ruiz, executive chef at the Land and Water Co. restaurant in Carlsbad.

“What (Catalina) is doing is embracing the heritage of our city,” he said. “These are delicious beautiful creatures being taken out of the ocean the right way.”

Ruiz said consumers are becoming more willing to pay more for a better quality of fish. And buying locally sourced fish from Catalina as a restaurateur actually ends up being more affordable than buying frozen from overseas because Catalina provides Land and Water Co. with the entire fish to butcher themselves.

Buying sustainably also provides the restaurant with a narrative customers appreciate.

“As a chef, that’s our job, being able to tell the story about our food,” Ruiz said.

Rudie says he plans to continue to grow the company organically, increasing revenue 10 percent to 20 percent annually, by adding species when he finds sustainable ways to procure them.

He foresees an increase in the number of local restaurants to which Catalina sells as diners demand more detail about the source of their meals’ ingredients.

“We’re limited more on sourcing than our sales,” he said. “People are starting to want to know where their food comes from and care about that, whereas for a while, it was just about price.”