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Dyer Aqua keeping seafood on our plates without depleting oceans

BYLINE: BILL CHURCH BJ contributor

Our insatiable demand for seafood is outstripping the ability of the world's oceans to produce it. A Sebastian-based company is ready to help make up the difference.

Dyer Aqua is a marine aquaculture company with a staff of experienced scientists who conduct research and grow saltwater fish for food. If you'd rather watch fish than eat them, the company is also a leading producer of those Nemo-like, multi-colored ornamental fish for the pet store and public aquarium markets.

Since buying all the stock of the former American Aqua Resources in 1999 and changing the name, the investors in Dyer Aqua have sunk \$22 million into research and development.

Although American and Dyer were all research, the main goal was always production. Dyer started marketing ornamental fish in 2002 and some fish for food in 2003.

Most previous research had been on cold-water and fresh-water fish. Seeing a global appetite was pushing up seafood prices, Dyer scientists began research to see which warm water species could be grown. They settled first on pompano, cobia and tripletail, which grow fast. Snapper takes longer to produce.

Now, Dyer is the only company raising pompano and tripletail, according to chief executive officer Roderick Reed. Financially, it's been all out-go thus far, but that is about to change.

"The vision is great," Reed said. "We expect to produce 5 million pounds of fish and \$20 million in revenues in 2008."

Reed estimates the market for food fish at more than \$11 billion. That's much larger than the \$100 million ornamental market. Food fish will be Dyer's major product, but the company will continue to be a key supplier of ornamental fish for consumer and commercial markets.

"We can use the science from our food fish and ornamental fish research to improve both," Reed said. "Ornamentals are a 'feel good' business."

Ornamental fish buyers like to buy domesticated fish because they are accustomed to living in a tank and eating man-made food. Many more survive, while ornamental fish captured in the wild often die in the transition to a tank.

Ornamentals are neither to cheap or easy to produce. They must be kept in small pens, unlike food fish, which are housed in ocean pens of 800,000 gallons. Since appearance is so important to aquarium owners, ornamentals have higher quality-control standards.

Dyer has more than 60 species but is not currently looking for new ornamental fish.

"We see long-term expansion," Reed concludes. "Science has created a new business, it's something that's needed, and we can now make money at it. We expect to be the dominant producer of warm water fish."

He likes the aquaculture industry for several reasons.

"We don't do any genetic modifications and since we control the diet, we know at all times what's been put into the fish," Reed said.

Dyer carries out research and development, broodstock and hatchery operations at its facilities in Sebastian and Vero Beach. Production occurs at permitted, grow-out pens off the coasts of the Bahamas, Panama, and soon, Belize.

Reed said the United States has little experience with marine aquaculture. Most states have not favored aquaculture within their three-mile shore limits, fearing the possible environmental impact of discharges from the pens.

Those fears are unfounded, he said. "Discharges are small and are dispersed by the currents. We monitor the pens daily to maintain high quality and we must meet rigorous standards to maintain our permits."

Dyer employs 16 people in Sebastian and another three in Vero Beach. About four in five have a scientific background, most are under 35, and they represent a number of nationalities. The company expects to add six to eight workers in the near future.

Dyer Aqua suffered a severe setback in the twin hurricanes of 2004. All four company facilities in Sebastian, Vero Beach, Puerto Rico and the Bahamas were hit twice. The main building in Sebastian collapsed and had to be razed to the foundation and rebuilt to new building codes. It should be operating again in September.

Surprisingly, most tanks were not damaged and 300,000 fish survived in Sebastian, including the valuable broodstock.

"If you lose the breeders you're in trouble," said Nick Nevid, the company's chief scientist and head of operations who has been with the firm since 1994. "It can take years to replace them from the wild."

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