

equipment required to commercialize this product, a new market niche will have to be carved out in the up-market catering trade.

A number of Canadian companies produce more specialized frozen products, including graded tails and claws, tomally and meat. Uncooked tails are only half the price of spiny lobster tails and have been well received by restaurants in the United States, while claws and tail packs have found a ready market in speciality food stores and more upscale retailers such as Marks and Spencers.

Currently less than 5% of Canadian lobster production is converted into speciality products. We believe that there is considerable scope to develop new products particularly with respect to the smaller lobster which has been a major source of the inventory problem over the past year.

Consideration should also be given to the development of prepared meals using lobster to meet the growing demand for upscale convenience foods. All of these changes will require increased investment on the part of the industry which will in turn have to be paid for by higher market prices.

CONCLUSION

Canada has an abundant lobster resource. With strong emphasis on conservation and resource management, the long term supply outlook is for stable growth. Canada should continue to be the world leader in lobster supply.

Our cold, pristine waters ensure harder shelled animals with firmer and sweeter meat. Canada's lobster grounds are free of contamination and disease.

Backing up the supply are modern government inspected handling and processing facilities ready to cater to the specific needs of customers. Canada's inspection standards are second to none. Rigorous inspection which extends from catching through to processing guarantees reliability of quality and phytosanitary standards.

Canada is the world leader in dryland storage of lobster. We look to both an expansion of dryland facilities and improvements in existing technology. This will enhance the capacity to offer year round supplies at competitive prices.

With respect to live lobster, in the short term we expect to see increased emphasis on reducing mortality rates during holding and transport. Although already low, improvements will give increased economic gains to all segments of the industry.