

where roe was a key product form. The Japanese side again emphasized the need for increased roe size and suggested that introduction of sorting equipment would in the long term improve prices and pay for itself. However, the Japanese side emphasized that the proposal to eliminate fish sizes of less than 200 grams was not meant to be replaced by plant sorting since this would result in increased costs and lower freshness. At this point the representative of Mitsubishi suggested that the Japanese want finished products and should not impose regulations on Canadian processors who should be responsible for implementing their own standards to meet Japanese market requirements. It was suggested that this might be achieved by paying fisherman different prices based upon different sizes.

The Canadian side noted that Canadian processors have taken the issue of quality very seriously, as indicated by the Watson report and the proposed quality seminars in Canada based on the mission findings. It was indicated that the rapid expansion of the industry is part of the quality problem, and that since Canada is not the only supplier long term market expansion will depend upon Canada's image as a quality supplier. At the end of the mission the Canadian group will be in a position to review proposals with a broad cross section of industry. It was suggested that the Japanese side would also review objective measures and that the Canadian and Japanese chairmen would consult on these in due course.

The Japanese side emphasized the importance of improved purchasing methods as a means of lowering production and thereby raising prices. It was felt that overall production volume could be reduced by about 20%. It was suggested that the current production of some 7,000 tonnes was perhaps the maximum amount which the market could absorb even with the development of new products. It was suggested that a transport time of 2 hours or less between landing and processing also should be implemented. While the 2 hour time limit was said to be an arbitrary figure it was noted that capelin producers have taken measures to reduce transport time.

The Canadian side replied that it was impossible to impose and regulate time restrictions on processing in Canada and that this question should be raised in the context of defining overall quality standards with final purchase standards being the main guide for producers and Japanese importers.