

July 31, 2007

Japan Economic Research Institute  
Takagi Committee for the Reform of Fisheries  
Chairman: Yuuki Takagi  
Chief of the Committee: Hisashi Kurokura

**"Strategic and drastic reform of fisheries that conserve Japan's fish diet should be expedited"**

### **Takagi Committee for the Reform of Fisheries (Recommendations)**

Under the basic recognition that "food is the source of life," the Japan Economic Research Institute carried out analysis and verification of the present state of fisheries in Japan, and pointed out that fisheries in Japan have fallen into a vicious circle (negative spiral) seen from the indicators from all aspects such as production, processing and consumption. The committee presented the Emergency Recommendations on February 2 this year (\*P2 BOX) . Subsequently, moves have been observed toward the direction in line with the Emergency Recommendations. These moves included the allocation of budget for overall countermeasure projects for the structural reform of fishing vessel-based fisheries (in other words, "fisheries that can generate profit") , the establishment of a discussion group on the individual fisheries quota system, the establishment and enforcement of the Basic Maritime Law, and the first report of the Regulatory Reform Conference (May 30, 2007) . This committee will watch closely the concrete measures that may be raised in the course of this development.

This committee will continue its research and studies. It recognizes that, in the background of the vicious circle (negative spiral) now facing Japan's fisheries, one can point that fishery resources are in the state of depletion and this situation is causing deterioration of fisheries as well as excessive catch (i.e. in an attempt to catch more fish to secure landings), further accelerating the pace of deterioration. Based on this recognition, this committee recommends, as in Appendix (P3-7) , by attaching the greatest importance to the following three objectives, in the hope to protect the interest of Japan and the Japanese people:

- (1) prevent depletion of fishery resources and promote restoration of the resources;
- (2) make affluent the livelihood of fishers and regional communities; and
- (3) provide safe and secure seafood to the Japanese nationals on a sustainable basis.

It is our sincere hope that these Recommendations will contribute to enhancing food security, become a road map for preserving fish diet supported by Japan's fisheries, and provide a motivation for all the Japanese people to be concerned about the core of the crisis facing fisheries and act from their individual standpoint.

We would like to take this opportunity to add the following regarding the summary of our requests to the government and the final report of this committee.

1. In order to give a concrete shape to the recognition shown in the Special Feature report titled "To Preserve Fish Diet in Japan" in the Fisheries White Paper this year, the government is strongly requested to analyze and verify the current system and measures, organizational system and budget from such perspectives as follows:

- (1) whether it has a national strategy on fisheries;
- (2) whether the crisis facing Japan's fisheries that cannot find a breakthrough from vicious circle (negative spiral) amid the present trend of fisheries in the world is clearly recognized; and
- (3) whether the mission of fisheries as an industry is clearly defined.

The government is also requested to carry out a scrap-and-build work based on the outcome of the above analysis and verification.

2. The final report of this committee will be summarized based on the following:

(1) the information obtained by receiving reports, where necessary, while maintaining close relations with the project studies for reform of fisheries (having as its contents the objective assessment of these Recommendations which the Japan Economic Research Institute, an independent administrative legal entity, addresses) , and by providing advice, as appropriate,

(2) various suggestions obtained in the course of the continuation of activities designed to deepen the understanding of these recommendations by fishers, regional communities, consumers and other stakeholders.

※ Takagi Committee for the Reform of Fisheries on February 2, 2007 (Emergency Recommendations)

1. Explicitly locate fishery resources not as *bona vacantia* but as common property of the Japanese people to ensure the conservation of the marine environment and the effective utilization of fishery resources;
2. Make clear and promote the policy to open up entries into fisheries, as well as the comprehensive and medium- and long-term strategy for the drastic structural reform of fisheries;
3. Implement drastic reallocation of fisheries budget to carry out a strategic and fundamental reform of fisheries; and
4. Establish a fisheries reform project team and an Oversight Committee to ensure strict implementation of the Recommendations.

## Recommendations

### (Recommendation 1)

**Ensure full conservation of the environment and the resources and sustainable utilization based on the respect of scientific findings, and, locate it at the center of the national strategy, and promote domestic fisheries politics and diplomacy based on them.**

The countries throughout the world are in the midst of harsh competition to acquire fishery resources. A broad-based national strategy, including diplomacy, should be developed from medium- and long-term perspectives, in order to secure, on a national level, Japan's fishery interests that support its fish diet.

Japan's fisheries are operated both inside and outside of its exclusive economic zone (EEZ) . Regarding fishery resources within the EEZ, thorough-going efforts should be made to conserve the marine environment and ensure sustainable utilization of fishery resources as a common property of the Japanese nationals based on the respect of scientific findings so that interest may be realized not only for fishers but also all the industries related to fishery resources and the people in general.

Needless to say, conservation of fishery resources is indispensable for maintenance and development of sustainable fisheries. Further, it should be noted that the rising awareness toward environmental conservation and protection of the ecosystem in the world in recent years has developed, contrary to this trend, into a movement to shut out harvested/produced seafood from the market.

Amid such circumstances, if a destructive fisheries policy as regards the resources is continued in such ways as to establish TAC (total allowable catch) in excess of ABC (Allowable Biological Catch) , there is a concern, considering the present world trend, that Japan may, in the worst case, be affected severely both in imports and exports. Therefore, there is an immediate need to change the fisheries policy into one having, as its core concepts, the conservation of the environment and the resources and sustainable utilization.

Especially in this case,

1. fishery resources should be located explicitly as a common property of the Japanese people, and not as bona vacantia (i.e. no one's property) in order to ensure conservation of the marine environment and effective utilization of fishery resources.

Fishery resources are a common property of all the Japanese nationals, including fishers. The government of Japan is entrusted by the people with the obligation to manage fishery resources. The government grants fishing rights to fishers. In implementing these rights, fishers execute properly the rights to catch

fishery resources (which are common property of the Japanese people) for themselves, as well as for processors, distributors, marketers and consumers, based on the recognition that fishery resources are the common property of the Japanese people.

2. Ensure a full implementation of the principle of sustainable utilization of fishery resources through the respect of scientific evidence, and locate this principle as the most important pillar of fisheries administration in Japan.

Abolish immediately the gaps between TAC (total allowable catch) and ABC (Allowable Biological Catch) which lasted for many years as a result of setting them with little regard to scientific findings.

Establish the individual quota (IQ), strengthen enforcement and penalty and tighten end-management control such as prohibition of possession and sales of illegally caught seafood. Aim, through these measures, at recovery of deteriorated fishery resources in the waters surrounding Japan. It will become possible to hold in check the further deterioration of fishery resources in Japan and declines of fisheries by the establishment of the principle of sustainable utilization respecting scientific findings.

Also, promote fishery diplomacy centering on sustainable utilization of the resources based on scientific findings in all areas including securing of stable imports, fishing by Japanese fishing vessels in foreign waters and promotion of exports.

Through these measures, it is possible to establish international credibility of Japan as a fishing nation respecting the principle of sustainable utilization based on scientific evidence. The principle of sustainable utilization will greatly contribute in the area of diplomacy and promotion of seafood exports, thus enhancing the evaluation of Japan as well as Japanese products.

Japan has been making a strong case for scientific evidence and the principle of sustainable utilization in its negotiations over whaling and other fisheries issues. Domestically, however, Japan is belittling scientific grounds in the management of fishery resources. To eliminate such a double standard will certainly lead to the recovery and restoration of the fishery resources in Japan and progress in fishery diplomacy.

**(Recommendation 2)**

**Implement immediately the structural reform for revitalization and autonomy of fisheries in a speedy manner.**

To this end,

1. the membership requirements for fisheries cooperative associations, such as the number of employees and the scale of fishing vessels, should be reviewed, and investment in, and technological transfer to, fisheries cooperative associations

should be facilitated to help vitalize regional communities.

Fishery processors, wholesalers, middle traders, retailers and eat-out establishments in the regions, and major fishing companies willing to invest and transfer technology to regional communities should be given the qualifications to become members of the fisheries cooperative association. Further, the system should be built up to make public the contents of the management of fisheries cooperative associations.

2. Concurrently, abolish basically the barriers for entry not only into fisheries but also aquaculture and set-net fisheries, making entry open generally. Steps should be introduced to enable individuals and legal entities having willingness and capability to engage in aquaculture and set-net fisheries, under the transparent rules and the same conditions as those for the fisheries cooperative associations.

Reform drastically fisheries-related systems such as the Fisheries Law (taking effect in 1949) , and the Law on Fisheries Cooperative Associations (taking effect in 1948) . Promote proper utilization of fishing rights and fishing grounds in the production stages by means of new entries, under the transparent rules, for example, utilization of the special zone system. Make open the coastal fisheries widely to those in distribution, processing and sales sectors and to those who have willingness to invest in fisheries.

3. Establish medium- and long-term strategic policy comprising, in a comprehensive manners, such requirements as the reduction of fishing effort by means of the closed seasons and the reduction in the number of fishing vessels, modernization of fishing vessels and continuous construction of new vessels and support of employment of fishers.

Regarding the fishing vessel-based fisheries, it has to be pointed out that the number of vessels has decreased, with the vessels being outdated and their productivity declining visibly. On the other hand, excessive harvests continue amid deteriorating resource status and depletion.

For this reason, mere construction of new fishing vessels could lead to expansion of fishing capacity. Therefore, structural reform for vitalization and autonomy of fisheries should be categorized broadly into (1) closed seasons, (2) reduction of fishing vessels, and (3) continuation of the fishing operation (updating and downsizing of fishing vessels) . These should be promoted as a package of actions. For example, efforts should be advanced to restore the fishery resources and improve fishery management by establishing 3-5 year plans based on scientific evidence, including the use of the special zone system.

Concurrently, the individual quota (IQ) system or the individual transferable quota (ITQ) system should be introduced in order to determine the upper volume limit for the catches by individual fishers, eliminate unnecessary fishing activities, prevent overexploitation of the fishery resources, and supply seafood meeting the needs of the market.

Further, with respect to the fish species having large populations, such as

Pacific saury (3-8 million tons) , effective and sustainable utilization should be ensured and have them contribute to the promotion of fishery processing and aquaculture as well as the development of seafood trade.

Locate aquaculture as an industry that enhances the added values of seafood and thus responds to the need of the Japanese people.

**(Recommendation 3)**

**Reallocate fishery budget drastically and flexibly to achieve the structural reform of fisheries.**

(1) Reallocate drastically and flexibly the public works-related budget for fishing port improvement, which has a low priority in budget implementation, into the one for promotion of new entries into fisheries and structural reform for fishing vessel-based fisheries.

(2) Projects to improve sea-based and shore-based facilities should be unified, including fishing reefs, fishing grounds, fishing port wharves, and cargo handling sites,- the projects which have been implemented separately to date. Barriers which had so far separated public and non-public works, as well as prefectures and municipal governments as the project executioners, should be abolished.

Regarding the above (1) and (2) , the special zone system should be used as a case of example.

(3) Budget should be secured, as a matter of priority, to positively provide the Japanese national with the information regarding the environment, resources and the fishery policy, enhance the understanding and recognition of the people, and promote education on fish diet through propagation of knowledge regarding cooking techniques, sustainability and quality of seafood.

**(Recommendation 4)**

**Build up a collaborative and mutually complementary distribution structure (total supply chain) which encompasses the range from production and end-consumption.**

In Japan's fisheries, the systems and frameworks at each stage of production, processing, distribution, sales and consumption, are made separately, without any inter-relations, and each sector is aiming at partial optimization, considering its own system and functions. Therefore, total optimization for fisheries, in which complementary and multiplier effects take place, has not been achieved. If this situation continues, Japan will largely lag behind the main current in the world, and will not be able to fulfill its mission to ensure food security and fish diet preservation.

Furthermore, the present trend of fisheries in the world is to locate as valuable

the seafood which is "tasty," "safe and secure," and "in harmony with sustainability of the environment and the resources," as part of the effort to cope with expanding demand for seafood. Creation of such new values of seafood should be considered in implementing the reform of distribution.

Notably, in this case,

in order to build up a total seafood supply chain that has transparency and credibility, 'Seafood Basic Information' based on objective and scientific indicators should be introduced as the common rule for all those who are involved in fisheries, and promote sharing and public announcement of the information based on such information.

Currently, no unified and standardized information regarding seafood is available. The Basic Seafood Information (note: see the "Supplementary Explanations on the Recommendations") is minimum information to evaluate seafood, consisting of (1) sustainability and (2) quality (hygiene) regarding wild fish, cultured fish and imported fish (including prepared products and raw materials for processing.)

Build up a system and framework in which this information is shared, through the use of information technology (IT) , in each stage of production, processing, distribution (including diverse distribution patterns such as out-of-the-market distribution, not via consumer markets) , sales and consumption, and is provided widely to the Japanese people as well.

In order to respond to the Japanese people's concern about the resources' sustainability, food security and safety in the future, the obligation of information provision in the production state from fishers in producing places and importers to cope with diverse distribution channels should be ensured through improvement of the legal system (Note: see "Supplementary Explanations to the Recommendations.")

This will contribute to rationalizing and making effective the seafood distribution and enable the right choice of seafood by consumers. Further, it will contribute to enhancing market transparency, as well as transparency in trade of some seafood (such as laver). Moreover, it will lead to guaranteeing the assessment of Japan-produced seafood not only in Japan but also in the world's market.

Allocate the budget for research and development, in a concentrated manner, regarding fishery policy, fishery management, distribution system, aquaculture technology (e.g. seeds, feed, and immunological prevention) and stock assessment.

**Establish a Fishery Reform Project Team and an Oversight Committee to ensure strict implementation of the Recommendations.**

## Supplementary explanations

### (Recommendation 1)

**Ensure full conservation of the environment and the resources and sustainable utilization based on the respect of scientific findings, and, locate them at the center of the national strategy, and promote domestic fisheries politics and diplomacy based on them.**

1. Fishery resources should be located explicitly as a common property of the Japanese people, and not as bona vacantia (i.e. no one's property) in order to ensure the conservation of the marine environment and the effective utilization of fishery resources.

Fishers are granted exclusive fishing rights from the government of Japan which is entrusted with the obligation to manage the people's common property. They engage in the harvests of fishery resources which are the common property of the Japanese nationals. In carrying out the harvests, fishers have the obligation and responsibility to conduct harvests by considering, on a comprehensive basis, the needs of the nationals as well as the needs of fishery processors, etc.

Since fishery resources are the common property of the nationals, measures for the conservation of fishery resources can be provided for, even on the sea surface where fishing rights once expired. Further, restrictions should be imposed on the investment by foreign corporations which currently own Japanese fishing firms and engage in the catch of fishery resources so as to make their investment ratio equal to the ratio practiced in the United States and European countries (e.g. a foreign capital is not entitled to own 25% or more of the equity) so that Japanese firms can engage in fishing exclusively. If these measures are introduced, the foreign firms' equity ratio will become equal with those applied in the United States and New Zealand.

2. Ensure full implementation of the principle of sustainable utilization of fishery resources through the respect of scientific evidence, and locate this principle as the most important pillar of fisheries administration in Japan.

The gaps between ABC and TAC during the past decade caused deterioration of the resources and over-exploitation. The advice of scientists is totally or substantially respected in many countries. In Japan, however, TAC has been set in the amount of three to five times or 10 times more than ABC. The process of setting ABC has been clear, while the process and the basis for setting TAC have not been so. This situation should be rectified immediately.

Regarding the science and research sector for stock assessment, it is necessary to establish a system and framework in which such a sector can make recommendations independent of the Administration and their recommendations are duly respected.



Further, fishery diplomacy having, as its pillar, the principle of sustainable utilization of fishery resources based on scientific evidence should be advanced in all areas of securing stable imports, securing of fishing by Japanese fishing vessels in foreign exclusive economic zones (EEZs) and promotion of exports.

(1) Locate as pillars of the new fishery diplomacy (i) securing of sustainable imports of safe and healthy seafood, (ii) securing of seafood by operation of Japanese fishing vessels in foreign EEZs and (iii) the promotion of exports.

Secure, on a continuous basis, imports of seafood from all over the world by establishing local firms and joint ventures, and the catches by Japanese fishing vessels by ensuring their direct entry into foreign EEZs, with the aim to ensure sustainable and stable supply of safe and secure seafood from all over the world. Information to be incorporated in eco-labeling which becomes important in seafood exports should include sustainability of the resources.

(2) Change into diplomacy based on scientific evidence

Japan has been advocating the respect of scientific evidence and has been adhering to the principle of sustainable utilization in the negotiations at the International Whaling Commission (IWC) and the United Nations Food and Agriculture Organization (FAO). Japanese fishing vessels' operation in other countries' EEZs and importation on a continuous basis will become possible by preserving the fishery resources and conserving the marine environment of the coastal states, while keeping the resources in the receiving countries in healthy and sustainable conditions.

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) includes in its Appendix II the species whose stock status has worsened (such as European eel and basking shark), and monitors the trade situation to prevent further deterioration of those species through inappropriate trade practice (utilization). Furthermore, CITES, with a membership of 172 countries, has adequate authority and competence in monitoring trade in such commodities as ivory and crocodile products. Japan should change its policy to positively utilizing CITES as a supervisory body for the world's environment and resource management (excluding its functions with regard to cetaceans). Notably, Japan should utilize CITES to reinforce stock management and environmental conservation in relations with its neighboring countries.

(3) Regarding seafood exports

In promoting Japan's exports in the future, compliance with ecolabeling, which represents international certification standards, will become important. Japan's fishery products should also be directed toward complying with the certification standards, such as securing of sustainability of the resources based on scientific evidence.

**(Recommendation 2)**

**Implement immediately the structural reform for revitalization and autonomy of fisheries in a speedy manner.**

1. The membership requirements for fisheries cooperative associations, such as the number of employees and the scale of fishing vessels, should be reviewed, and investment in, and technological transfer to, fisheries cooperative associations should be facilitated to help vitalize regional communities.

(1) Those who share the objective of the promotion of fisheries, such as fishery processors, wholesalers, middle traders, retailers, and restaurant and tourism operators as well as the enterprises having capability and willingness to contribute to the regional promotion should be given the qualification to become members of fisheries cooperative associations under certain conditions. Fisheries cooperative associations should make themselves open to the regional communities as well as to the Japanese people.

(2) There is a need to survey the actual state of management of the marine environment, fishery resources and fishing rights in fisheries cooperative associations.

Surveys should be conducted on the state of conservation and management of seaweed beds and tidelands, fishery resources, and management and implementation of fishing rights.

(3) Make transparent the details of management of fisheries cooperative associations.

The financial status of fisheries cooperative associations as a whole is in the black. Looking into its details, however, many associations are sustaining losses in ordinary economic projects such as joint sales and credit business. These losses are being offset by "non-business income" such as collection of marine gravel and compensation they receive for various types of development.

Entrepreneurial management and the contents of the projects should be audited by professional auditors. Furthermore, information including the details of management should be made public.

2. Concurrently, abolish basically the barriers for entry not only into fisheries but also aquaculture and set-net fisheries, making entry open generally. Steps should be introduced to enable individuals and legal entities having willingness and capability to engage in aquaculture and set-net fisheries under the transparent rules and the same conditions as those for the fisheries cooperative associations.

In point of fact, in the areas where usable marine surface for fishing rights exists, entries into fisheries by willing parties having technology and capital could be promoted if the fair acquisition and implementation of the fishing rights are made possible under transparent rules. Thus, it will contribute to effective utilization of fishing grounds and development of both fisheries and regional

communities. Notably, in the western part of Japan, where there are many sea areas with no operation by fishing right-based fisheries, new entries will bring about benefits to regional communities.

At present, there are fish seed companies and fishing net companies that, as a matter of fact, engage in aquaculture and set-net fisheries. Further, subsidiaries of major fishing companies are engaging in fisheries by obtaining the membership of fisheries cooperative associations. But there are no open rules, and operation remains not transparent, only with agreements or contracts being made with fisheries cooperative associations.

3. Establish medium- and long-term strategic policy comprising, in a comprehensive manner, such requirements as the reduction of fishing effort by means of the closed seasons, and the reduction in the number of fishing vessels, modernization of fishing vessels and continuous construction of new vessels and support of employment of fishers.

Develop a medium- and long-term policy encompassing, in a comprehensive manner, recovery of deteriorated fishery resources to a sustainable level; utilization of abundant fishery resources such as Pacific saury; adjustment of fishing efforts, including their reduction; modernization of fishing vessels and continuous construction of new fishing vessels and support to employment measures. Make the policy public to the Japanese people after clarifying the target, level, duration and budget (fund) scale necessary for implementing the policy.

Regarding small- and medium-scale fishing vessel-based fisheries, establish three broad categories of (i) closed season, (ii) vessel reduction and (iii) continuation of operation (modernization and smaller scale fishing vessels). Establish and implement an overall package plan to implement (iii) after incorporating (i) and (ii) as necessary requirements. Closed period shall be selected from among three months, six months, a year, two years and three years. A plan ranging three to five years shall be established by these means to pursue recovery of the resources and reconstruction of entrepreneurial management.

It is crucial that the plan is based on scientific evidence. Therefore, steps should be taken to reflect the advice of scientists in the restoration plan. A system should be established in which recommendations by scientists are fully respected. It is necessary to positively utilize unused abundant marine fishery resources immediately to link it to vitalization of fisheries, fishery processing and regional communities.

Demand for non-edible and edible products, health products and pharmaceutical products is anticipated for such species as Pacific saury with population size of 3-8 million tons, anchovy with population of several million tons, and krill with population of several hundred million tons. Comprehensive utilization of these resources should be tackled with immediately. The ministry decrees regarding Pacific saury fisheries which hamper this goal should be abolished immediately. These species should be harvested by purse-seine fishery and bottom trawling for extensive uses, including those for such industries as fishmeal, fat and oil, and aquaculture.

As a result, this will greatly contribute to vitalization of fisheries in an overall manner, including effective utilization of unused fish species, increasing landings, resumption of fishmeal plants not operating now, supply of raw materials to functional foods and pharmaceutical industries, expansion of aquaculture, and enhancement to quality safety of the products.

**(Recommendation 3)**

**Reallocate fishery budget drastically and flexibly to achieve the structural reform of fisheries.**

Approximately several hundreds of million yen will be needed as a budget for the fisheries structural reform plan, centering on fishing vessel-based fisheries. Viewed from the situation of implementation of public-works budget in recent years, it seems possible to procure the funds, and this will be made into the budget to implement the structural reform in package with closed seasons, reduction of fishing vessels and construction of new fishing vessels.

Further, the budget should be utilized in a way that prefectural governments (which are the executioners of public works) and municipal governments (which are the executioners of the project to improve market facilities) should carry out those projects in a flexible and comprehensive manner. The system should be changed flexibly into the one of budget allocation and implementation so that the projects can be carried out comprehensively and in an overall manner regardless the differences between public and non-public works as well as the differences in their executioners.

For example, the projects should be carried out in a unified manner under the single category of "public works." Improvement of facilities to meet the HACCP standards should be effected as the closed market buildings, low-temperature control system and the environment satisfying hygienic standards.

**(Recommendation 4)**

**Build up a collaborative and mutually complementary distribution structure (total supply chain) which encompasses the range from production and end-consumption.**

In order to build up a total seafood supply chain that has transparency and credibility, 'Basic Seafood Information' based on objective and scientific indicators should be introduced as the common rule for all those who are involved in fisheries, and promote sharing and public announcement of the information based on it.

(1) Establish the basic seafood information.

There exist no objective and scientific quality standards for seafood (catches).

In the United States and European countries, on the other hand, there is an

accelerated move toward introduction of the traceability system including eco-labeling and quality information having sustainability as its contents. Further, some foreign organizations, such as the Marine Stewardship Council (MSC), have already introduced those standards on a private-sector basis.

In Japan as well, there have been an increasing cases where private corporations obtain the MSC certification. These will not only facilitate distribution but also provide consumers with the information on safety and security of food and sustainability of the resources.

Given these circumstances, it is hoped that the "basic seafood information" containing information on sustainability and quality will be introduced in Japan. Fishers, seafood marketers and companies have the obligation and responsibility to provide this information. In Japan, all stages from production to consumption are not cooperative and mutually complementary, but have non-cooperative and discontinuous relations. There is a need to tighten the ties through sharing of common information so that there will be inter-relations among them.

Examples of the item to be incorporated in the basic seafood information

(A) Information regarding sustainability

(I) wild fish (both domestically produced fish and imported fish);

(1) name of fish species, name of the stock (Sea of Japan stock, Pacific stock, etc. );

(2) date and location of harvest;

(3) fishing method;

(4) weight per fish for tunas and Pacific cods; overall weight for carton for classification, and average body weight and size, for skipjack tuna and flounder;

(5) Information to verify that the fish was caught within the scope of TAC (or ITQ or IQ);

(II) Cultured fish (both domestically produced fish and imported fish)

(1) name of fish species, procurement source of culture seeds

(2) the beginning date of aquaculture, the date of receipts, the name of the fishing ground and the environment thereof

(3) the name of feed used (domestically produced, foreign-produced, major ingredients)

(4) used chemicals

(B) Information on quality

- (1) Quality of fish body (items measurable by simple measuring equipment)
- (i) K value, ph value, fat contents (measuring date and time), etc.
  - (ii) method of preservation from the date of catch to the date of landings (chilled or ice preserved, etc.) and temperatures
  - (iii) method of preservation and temperatures for each day after landings.
- (2) Sensitivity assessment by buyers  
Select from among (i) very fresh, (ii) good, (iii) ordinary, and (iv) smelling

(2) The trade contract between laver producers' fisheries cooperative associations and trading firms that buy laver represent a monopoly of sales, by providing that all the production should be forwarded to the trading firms. There is a need to improve the present situation in order to ensure laver price formation through fair and transparent competition.

(3) As roles of consuming market, the central wholesale markets, including consignees (wholesale firms) and middle traders should cope with changes in distribution and service patterns, promote rationalization and efficiency, renovate functions and strengthen competitiveness, and promote reforming its structure in order to fulfill the core functions to build up a continuous and cooperative and mutually complementary structure of seafood. Further, they improve the system of grasping information by the company or the market as a whole and provide various information to producing places in view of the present status in which information on seafood tends to concentrate on "bidders" of consignees.

(4) Demand for seafood on weekend is considered to be higher as spending for eating-out doubles on the weekend as compared with ordinary weekdays (according to survey by the Ministry of Internal Affairs and Communications). Markets and central wholesale markets (at consuming market), including those at tourism spots, should open on Sundays as well to provide tourists and consumers with fresh fish. Further, as time used for home cooking is shorter on weekdays, planned shipments and production to cope with increasing demand for prepared food, such as cooked food, are necessary. Fishers are also asked to cope flexibly with the moves of consumption, including landing of fish on Sundays.

(5) Physical distribution system

Introduction of swift distribution system is needed so that deterioration of merchandize may not advance (e.g. cases such as that fresh fish is left for many hours under normal temperatures) at producing and consuming markets as well as distribution centers and storage warehouses outside the markets.

Especially, as the control of fresh products at low temperatures (e.g. 15 degrees centigrade or lower) is required for the maintenance of high quality, codes of actions and patterns of facility improvement (manuals), which serves as the basis of distribution of fresh products, including these, should be shown clearly.

For the strict implementation of the Recommendations,

- (i) A project team of experts on fisheries reform consisting of external experts selected through fair and equitable process should be established.
- (ii) An oversight committee to monitor and assess the implementation of the Recommendations and provide necessary advice should be established.

More than half of the members of the Fisheries Policy Council should be representatives of the Japanese nationals and consumers. Further, the council shall develop their reports, including its findings on an independent basis, and the Fisheries Agency shall serve as the Secretariat thereof.

Information should be provided positively so that the understanding and interest of the Japanese nationals in fisheries can be enhanced. Furthermore, research institutions shall provide information which is truly sought by the people regardless the policy of the Administration. They should provide necessary information and scientific advice for any needs (for example, regardless they are plaintiffs or defendants necessary at court trials).

#### Reference 1

(Note) Instances of thorough-going analysis and verification of the current system and implementation, organization and budget.

(i) The reasons why fisheries-related legal systems were left unchanged during the 60 post-war years, and analysis of economic costs under the current legal system;

(ii) Overall invested value and return on investment (ROI) under the current budget allocation system;

(iii) The basis and reasons for TAC being set in excess of ABC for many years (from 1996 to the present), and the analysis of the recovery of resources and economic profit and loss when TAC and ABC are made equal;

(iv) Historical changes in management capability of the resources and fishing rights by the fisheries cooperative associations, as well as control of fishing rights and their implementation

(v) The background of why the seafood distribution is of confrontational nature, especially the background and the actual state causing the out-of-market distribution

(vi) The actual state of sectional administration (where competence is divided among the Fisheries Agency, General Food Department, Consumption Safety Department, and the Ministry of Health, Labor and Welfare) as well as the negative effects of such a system

#### Reference 2

Legislations to be revised or institution of new legislations to be required in connection with Recommendation 4

(1) Revision of the Wholesale Market Law (1971 Law No.35) (especially Article 61 and Article 61(2))

Regional wholesale markets and the markets elsewhere shall not receive or market the seafood caught illegitimately or illegally. The prefectural and municipal governments, which are the authorities to manage fishing ports or ports, shall not permit landing of such catches.

Similarly, it should be provided that fishery products caught unfairly or illegally should not be treated in a similar way as in the sales under the Law on Fisheries Cooperative Association (Article 11, Section 1, Item 7).

(2) Institution of the Law on Seafood Traceability

As seafood distribution became diversified, it is difficult to apply part or the whole of the revised Wholesale Market Law on seafood traded out of the market



distribution channels. For this reason, in order to ensure safety and security of seafood for the consumers, legislations similar to the intent of the Beef Traceability Law, which provides for the management and communication of the information for the identification of individual cows (the 2003 Law No.72) will be applied, and submission of the information on production history of major fresh fish both inside and outside the market shall be obliged.

### Reference 3

(Major issues facing fisheries in Japan)

(i) Demand for seafood is expanding worldwide, especially in newly emerging countries as China, Brazil and Russia, as well as the Western countries, in the wake of the outbreak of BSE, avian flu, and rising income and consumers' preference on healthy food. In Japan, by contrast, income has declined, and domestic consumption has also suffered a setback due to changes in dietary lifestyle. Japanese buyers are visibly being priced out in the imported seafood markets.

(ii) In Japan, all the sectors of fisheries--distant-water, offshore and coastal fisheries--have been on the decline. Aquaculture saw growth worldwide, but stagnated in Japan. Basically, the economic scale of fisheries shrank to about half of what it used to be. Fisheries dropped out from the group of major industries, with its percentage in Japan's gross domestic product (GDP) standing at only 0.2%. Conversely, food-related industries became a dominant sector, with a sales scale of Y100 trillion, accounting for 10% of Japan's GDP.

(iii) Following such developments as the adoptions of the United Nations Convention of the Law of the Sea (1982), the United Nations Agenda 21 (1992) and Johannesburg Action Plan (2002), some foreign countries attempted to enforce thorough-going resource management programs based on scientific evidence, but Japan lagged behind in this move.

(iv) Over-exploitation of the resources (fish) continued. The cause of over-exploitation was the awareness of fishers that marine fishery resources are bona vacantia (no one's property) and the posture of the administration over a long period of time to pay little or no attention to scientific evidence.

(v) The fisheries-related legal system and the budget allocation system were outdated, as reflected in the bureaucratic sectionalism in the administration and the lack of the framework to collect views from the Japanese nationals.

(vi) The number of fishers decreased (to 20% of the peak period); there was shortage in successors in fisheries. Fishing vessels became obsolete, with their number declining. Both fishery processing and distribution have declined.

(vii) The regional communities and fisheries cooperative associations are of closed nature. The rules of entry into fisheries are not transparent.

(viii) There are no basic quality criteria on seafood and there are no communication

functions of information. The process of price formation is not transparent. Producers, distributors and sellers are not cooperative among themselves, but confrontational.

(ix) There is a lack in information provision and education from fishers and administrators to restaurant industries, retailers and consumers.

#### Reference 4

(Future status of fisheries in Japan when this committee's Recommendations are implemented comprehensively and strategically)

1. Domestic seafood supply will be enhanced both in terms of quality and quantity. Productivity of fisheries and fisheries-related industries will be improved. Exports of seafood will be activated.

2. The goals of restoration of fishery resources in the waters near Japan and effective utilization of the resources based on scientific evidence will be achieved.

3. New entry into fisheries is promoted. Entrepreneurial management of fisheries, distribution and processing will be improved, and the economy of regional communities will be vitalized.

4. Efficiency is enhanced as the distribution system (hardware aspect) and information system (software aspect) of seafood are largely improved. Fresh and good-quality seafood having diverse values can be supplied to consumers swiftly, stably and at appropriate prices through a diversity of distribution channels (especially market channels) which are safe and secure.

5. Information on seafood will be increased both in quantity and quality and will be provided to distributors and consumers. Understanding and interest in fisheries, marine environment and dietary education will be enhanced among the Japanese people.

6. Fisheries-related legal systems will be updated. New fisheries administration and fisheries are enhanced and developed under transparent rules. Fisheries administration will be upgraded from the viewpoint of fishers to the viewpoint of all the Japanese people. Efficient and focalized use of the budget will become possible.