



UPSTREAM INTEGRATION OF THE MILK SECTOR IN ALGERIA

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ABSTRACT

The upstream of the milk sector in Algeria faces three major obstacles: inadequate local production, a very low collection rate and an increase in the prices of imported milk powder.

This situation is the result of the non-existence of a dairy policy actual within the framework of the various development plans, apart from the few incentives to encourage production and the impact of which has not been significant, As long as the breeding remains mainly extensive and weakly productive.

This article aims to identify the various constraints that have penalized the development of the milk sector in Algeria with a view to proposing appropriate actions that can contribute to its integration, especially upstream.

Keywords: Dependence upstream of the milk sector, international market of milk and dairy products, developmental programs of national production of raw milk in Algeria.

Introduction

In developed countries, the share of agricultural inputs in the total cost of production tends to fall in relation to other intermediate inputs, thanks to productivity gains made by the agricultural sector.

Indeed, more the industry has a research sector and substantial development, less production costs of agricultural raw materials affect the final price paid by the consumer.

The upstream nature of agri-food chains in Algeria in general and that of the milk sector in particular correctly reflects the evolution of agricultural production costs, which means that the cost of agricultural inputs accounts for a significant proportion of the production costs of food products (Processing, marketing, distribution, research and development costs, etc.).

This situation is problematic insofar as these agricultural inputs come largely from outside. It seems therefore imperative to analyze the evolution of the international market in milk and milk products in order to understand the stakes of this market and to show how serious the dependence of Algeria on the international milk market Volatile and unstable.

Then there will be a question of evaluating the programs of development of the national production of the raw milk and to diagnose globally the upstream of the milk sector in Algeria by detecting its weaknesses and its forces in the perspective of finding the positive interactions allowing to revitalize the chain And contribute to the development of future policies with instruments to better identify the right answers to real problems.

1- THE INTERNATIONAL MARKET FOR MILK AND DAIRY PRODUCTS

In this first section we will discuss in detail the evolution of

world milk production and consumption, international prices and trade using statistical data to show the volatility and instability of the international milk market And dairy products and the seriousness of Algeria's dependence on this market.

Milk is a product that has features distinguishing it from other agricultural products. Indeed, it is a heavy, voluminous and perishable product making its production, storage, processing and marketing, especially at the international particularly difficult. For these reasons, dairy products are highly localized, that is, they are generally consumed in production territories. In spite of the remarkable advancement of refrigeration techniques, only an insignificant part is exchanged on the international market, ie on average 7% of world production (intra-EU trade not included).

There are many characteristics that describe the international milk market:

- High disparity in consumption between different countries of the world (high in Europe and low in China);
- Disparity between the rate of growth of global milk production and consumption leading to a chronic deficit, which tends to widen due to changes in food traditions in developing countries in Asia and Latin America. The slowdown in world production is due mainly to the decline in European production following its WTO commitments within the framework of the liberalization of international trade;
- Developed countries absorb a significant share of world production (one-third, depending on the period), whereas they represent only a small part of the world's population (one-tenth);
- World production subject to international trade is very low (representing only 7% of total production in 1999)

and mostly produced by the European Union and Oceania at 93% according to FAO);

- Low production growth combined with strong growth in world consumption leads to higher prices, notably milk powder prices.

1.1 World dairy production

World production was 564 million tons of milk equivalent in 1999 (from cows, buffalos, sheep and goats at 85%, 11% and 4%, respectively), which corresponds to an average consumption of 80 kg / person / year, with processed products accounting for an average of 53% (98% in the USA and only 10% in India).

Table 1: World Milk Production by Animal Type

Million tons	1992	2000	2009	2010	2011	2012
Cow milk	461	489	592	606	621	_
Buffalo Milk	46	67	90	93	97	_
Goat's milk	10	13	16	18	18	_
Sheep milk	8	8	9	10	10	_
Other	1	2	2	3	3	_
Total milk	525	579	709	730	749	760

_ Non disponible

Source : IDF et USDA (2012 : provisoire)

We see that world milk production is largely dominated by cow's milk to more than 80% of total production. During the decade 2000, total world milk production grew at an average annual rate of 2.2% (an increase of almost 13 million tons).

At least three observations can be made concerning the evolution of world milk production during the most recent period:

- two distinct trends in the evolution of milk production in developed countries (downward trend as a result of their commitments in the WTO negotiations on the agricultural component to gradually reduce Production and export subsidies) and in developing countries (upward trend due largely to an increase in the number of dairy farms while productivity overall remains low);
- a slight increase in world production much lower than the rate of increase in world population, leading to a decrease in world milk production per capita;
- the decline in world milk production per capita concerns only developed countries, but the trend is opposite in developing countries (per capita milk production has increased slightly).

The evolution of world milk consumption shows an increase in milk consumption despite the stagnation recorded in the developed countries. This global increase is mainly due to population growth and improved living standards in developing countries (in South-East Asia, Latin America, the Middle East and the CEECs), not to mention The phenomenon of

westernization of the consumption patterns of the population of these same countries.

In 2011, world milk production recorded a higher growth rate (more than 2.7%) compared to the decade of 2000. This was mainly due to the increase in the price of milk and not to the meteorological conditions as was the case Cases in 2012.

Indeed, unfavorable weather conditions (drought in the United States and bad weather in Europe during the summer) largely affected global dairy production in 2012, which declined from the annual average for the period 2000- 2012 (2.3%) while achieving only 1.5% growth. Other factors also contributed to the slowdown in the rate of growth of world dairy production in 2012, namely: soaring energy prices and rising feed costs. The severe drought in New Zealand in 2013 (then an international market supplier of 40% in 2012) suggests a decline in the rate of growth of world dairy production during this year.

Table 2: Production of cow's milk for selected countries

(millions of tons)	2000	2005	2010	2011	2012*	2013*
Asia	94,7	131,0	165,0	169,2	174,3	181,2
EU-27	149,5	149,0	149,2	151,8	152,4	153,2
North and Central America (1)	98,0	102,9	112,2	114,0	116,4	117,7
other UE	59,0	61,2	60,2	59,8	60,5	60,5
South America	44,3	53,3	63,8	67,6	69,5	71,5
Africa	19,4	24,3	29,2	29,5	29,8	30,1
Oceania	24,3	25,6	26,6	28,8	29,8	29,8
Total	489,1	547,3	606,2	620,7	632,6	644,0

Source: FIL, USDA et AMI

(*) 2012 : Provisoire, 2013 : estimation

(1) Caraïbes includes

In recent years, world milk production has grown mainly in India and China (in Asia), New Zealand (in Oceania), Brazil and Argentina (in South America) and North America .

The evolution of world cow's milk production (which accounts for the largest share of total milk as we have seen in the previous table) shows that Asia (particularly India and China)Has made a remarkable leap, From the third position in 2000 to the first position throughout the period (2010-2013), thus exceeding the EU and North and Central America ranking.

Asia contributed 19.36% of world production in 2000, and its contribution increased to 27.21%, 27.25%, 27.55% and 28.14% respectively in 2010, 2011, 2012 and 2013, respectively.

In 2011, Argentina recorded a spectacular growth rate of 14% compared to 2010, allowing South America to achieve a growth rate of 5.96% (When the rate of growth of world production did not exceed 2.39%).

The weather conditions favorable to the growth of forages and the high level of the price of the milk are the factors explaining the performance of Argentina.

The year 2012 did not continue the same course of the previous year due to bad weather and high production costs, reducing the growth rate to only 1%. New Zealand, in turn, performed very well with record growth in production, 10% and 8% respectively in 2011 and 2012 as a result of very favorable weather conditions.

Asia and South America contributed 60% in 2012 and almost 80% in 2013 of the growth in world cow milk production. The increase in world production in 2012 is mainly driven by Asia to nearly half.

1.2. Monial trade of dairy products

International trade of milk and dairy products covers the following segments: condensed milk, cheese, butter, skimmed milk powder, fat powders and various processed products.

International trade and prices of dairy products evolve differently from one period to another.

Beginning in the 1990s, international dairy exports also came from countries that do not subsidize the dairy sector, such as New Zealand and Australia and Argentina.

Table 3: World trade in dairy products

(Excluding intra-EU trade)

(1.000 tons)	1980	2000	2005	2009	2010	2011	2012 (1)	%12 /11
BUTTER & BUTTER OIL								
UE	593	175	317	148	155	126	127	1
Other countries	357	566	594	731	674	713	763	7
TOTAL	950	741	911	879	829	839	890	6
Part of UE (%)	62	24	35	17	19	15	14	
SKIMMED MILK POWDER								
UE	578	357	189	230	379	518	523	1
Other countries	417	976	911	1.087	1.085	1.219	1.234	1

TOTAL	995	1.333	1.100	1.317	1.464	1.737	1.757	1
Part of UE (%)	58	27	17	17	26	30	30	
WHOLE MILK POWDER								
UE	524	575	498	459	447	390	387	-1
Other countries	190	840	1.395	1.480	1.599	1.806	1.933	7
TOTAL	714	1.415	1.893	1.939	2.046	2.196	2.320	6
Part of UE (%)	73	41	26	24	22	18	17	
CHEESE								
UE	307	526	554	577	676	683	778	14
Other countries	403	782	1.076	1.275	1.543	1.646	1.677	2
TOTAL	710	1.308	1.630	1.852	2.219	2.329	2.455	5
Part of UE (%)	43	40	34	31	30	29	32	
CONDENSED MILK								
UE		279	200	229	244	246	292	19
Other countries		233	517	400	494	482	488	1
TOTAL		512	717	629	738	728	780	7
Part of UE (%)		54	28	36	33	34	37	

(1) provisoire/ estimation

Source : ZMB

data on the years 2010, 2011 and 2012 in the table above provide information on the following general developments:

- Trade in all dairy products on the world market has increased successively over the three years (except for skimmed milk powder, whole milk powder and butter in 2010 and condensed milk in 2011). The largest increase occurred in 2011, an increase of 21% for skimmed milk powder, 18% for whole milk powder, 11% for cheese and 4% for butter;
- The decline in EU exports for virtually all products (with the exception of cheese) compared to its market shares in 1980 and 2000, in favor of New Zealand exports, in particular for whole milk powder ;

For the world trade of cheese, in 2011 and 2012 it grew 11 and 5% respectively. In 2011, Argentina, the USA and Australia

were strong contributors to this growth, with exports up 155%, 29% and 29%, respectively. In 2012, New Zealand, the USA and the EU are the countries with the highest export growth rates of 22, 16 and 14%, respectively. EU exports grew strongly in 2010 (10%) and then stabilized in 2011 due to entry barriers applied by Russia (Russia is the main importing country on the world market). On the import side, Brazil saw its imports increase by 192% in 2011, the biggest of the year.

As regards the whole milk powder,

World trade grew by around 18% and 6% respectively in 2011 and 2012. Argentina (the third largest exporter in the world) and Australia (the fourth largest exporter in the world) recorded the highest growth rates of their exports with 169 and 25% respectively in 2011. New Zealand maintains its position as world leader by exporting 1.1 million tons in 2011, representing 46% of the world market and 1.2 million tons in 2012.

On the import side, China, Algeria and Venezuela are the top three importers of whole milk powder. Chinese imports increased sharply in 2009, 2010 with rates of 175 and 75%, then declined by 4% in 2011. Brazilian, Algerian and Venezuelan imports increased by 67.50% and 50%, respectively.

Concerning world trade in skimmed milk powder, it grew by 21% and 1% respectively in 2011 and 2012. The EU (again the largest exporter with 30% of the world market) and Australia (the fourth largest exporter in the world) Achieved the highest growth rates of their exports with 38% and 26% respectively in 2011. The US (second exporter) and New Zealand (third exporter) saw their exports increase in 2011 by 13% and 5% respectively. In 2012, the ranking of the world's leading skimmed milk powder exporters is maintained as it was in 2011 with variations linked only to growth rates in exported volumes. Thus, the EU, the USA, New Zealand and Australia achieved respectively the following rates: 1, 2, 8 and 21%.

After falling 4% in 2011, Chinese imports again grew by 39% in 2012 and remain the main importer of skimmed milk powder with 440 000 tons. Although its imports fell by 12%, Algeria ranks third behind Venezuela.

Table 4: World market prices (USD / tons f.o.b.)

(Third trimester)	butter	Cheddar	Skimmed milk products	Whole milk products
1986	800-1.100	1.000-1.100	680-720	900-1.050
1990	1.250-1.400	1.575-1.800	1.100-1.425	1.250-1.400
1991	1.450-1.550	1.550-2.100	1.450-1.550	1.440-1.575
1992	1.350-1.800	1.800-2.200	1.800-2.170	1.750-2.100
1993	1.350-1.550	1.800-2.150	1.400-1.650	1.350-1.650

1994	1.150-1.800	1.650-2.100	1.500-1.900	1.475-1.750
1995	1.600-2.350	1.950-2.430	1.800-2.250	1.750-2.400
1996	1.650-2.500	2.150-2.500	1.600-2.200	1.700-2.300
1997	1.475-2.200	2.250-2.700	1.575-1.950	1.650-2.020
1998	1.800-2.000	2.025-2.450	1.300-1.525	1.750-1.850
1999	1.200-1.850	1.800-2.000	1.150-1.500	1.350-1.650
2000	1.450-1.500	1.800-1.950	1.900-2.200	1.850-2.120
2001	1.250-1.400	2.100-2.450	1.870-2.150	1.900-2.100
2002	990-1.100	1.550-1.650	1.125-1.225	1.150-1.240
2003	1.400-1.475	1.850-2.000	1.600-1.675	1.650-1.725
2004	1.900-2.000	2.750-2.950	2.000-2.150	2.100-2.250
2005	1.975-2.075	3.000-3.250	2.175-2.275	2.175-2.275
2006	1.625-1.750	2.500-2.700	2.150-2.225	2.150-2.250
2007	3.150-3.675	4.550	4.950-5.225	4.775-5.200
2008	3.625-3.900	4.825	3.150-3.350	3.825-4.025
2009	2.100	2.675	2.075	2.225
2010	4.525-5.725	3.750	2.800-2.975	3.225-3.525
2011	4.400-5.550	4.250	3.275-3.475	3.535-4.075
2012	4.400-5550	3793	3.275-3.475	3.525-4.075
2013 (*)	3.450-4.125	3886	2.925-3.075	3.475-3.675

(*) First trimester

Source : ZMP-ZMB et DIN consultancy (for cheddar)

We note that 2007 saw a surge in prices never before achieved. Indeed, prices in this year have seen dizzying increases compared to previous years. Compared to 2006, they recorded an increase of more than 230% for skimmed milk powder and more than 222% for whole milk powder. Prices ranged from (2,150-2,225 USD / tons fob) to (4,950-5,225 USD / tons fob) for skimmed milk powder and from (2,150-2,250 USD / tons fob) to (4,775-5,200 USD / tons fob) for whole milk powder. Then there was a two-year decline of 60% and 66% respectively in 2008 and 2009 for skimmed milk powder. Then, the rise in prices continued until 2013 with the exception of 2012 or were rather stable. A similar evolution marked the prices of whole milk powder. This is due to the strong growth in Chinese demand, which has stabilized in 2012 and the fall in supply from August 2012. It should be noted that the international milk market is in permanent fluctuation, which makes it difficult to foresee.

2. THE UPSTREAM OF THE MILK SECTOR IN ALGERIA

Dairy farming, collection, processing industry, marketing, consumption and import of milk powder and its derivatives represent the main compartments of the milk sector in Algeria. Below we examine the programs for the development of domestic raw milk production in order to establish a global diagnosis of the upstream of the sector by identifying its weaknesses and strengths with a view to finding positive interactions Making it possible to revitalize the entire chain.

2.1. The program for the development of domestic raw milk production

Given the importance of the aid granted to the various players in the milk sector falling within the framework of the national milk rehabilitation program initiated since 1995, levels of milk production and collection still fall short of the expectations of guardian ship. In order to promote the collection of raw milk, an incentive bonus of 4 DA / liter is granted to the farmer who delivers his milk for processing as an incentive for collection and additional aid of 2 DA for each liter of milk collected and delivered. A financial contribution from the State is provided to milk processors up to 40% of the cost of equipping a mini-dairy with a capacity of 5,000 to 10,000 Liters. This contribution can reach 60% when mini - dairies are made by cooperatives. 50% of the facilities for stables, irrigation equipment and harvesting equipment are dedicated to breeders with twelve dairy cows and more and 6 ha of land, is a contribution of 30% for dairy equipment And the promotion of artificial insemination on the farm as an incentive for dairy production.

The policy of rural renewal represents the most recent orientations of the agricultural authorities. It focuses on three main components, the first of which, according to the Ministry of Agriculture and Rural Development (MADR), focuses on:

- the strengthening and widening of the productive potential of strategic sectors such as cereals, milk, potatoes, red and white meats, olive growing, phytores, seeds and seedlings, Water, etc., to which is added an ambitious program of resorption of fallow

land;

- the indispensable promotion of an incentive and secure environment;
- the setting up of an efficient regulation system.

Regarding the national production development program for raw milk, it has two objectives: increase domestic production and increase the volume of raw milk collected. To do this, eight (8) pilot farms are selected to establish reference farms for this program. Its financing is provided by interest-free credit (RFIG), FNRPA (in support of the production, collection and integration of raw milk) and FNDIA (on farm investment financing Such as upgrading, forage, insemination, etc.). To this end, three action programs have been adopted:

A. The upgrading program for dairy farms

The upgrading of dairy farms must be carried out through a multitude of actions, namely:

- Improvement of husbandry conditions through the rehabilitation and rehabilitation of barns, the mechanization of milking and the installation of equipment for the conservation of raw milk on the farm;
- ensure the availability of feed through the development of both forage areas and the practice of silage,
- the development of artificial insemination and embryo transfer.

B. The program to increase the number of dairy workers and the collection of raw milk

The development of the production of heifers with high potential locally or through imports is the path traced to increase the dairy workforce.

The ONIL (National Interprofessional Milk Board), an agreement with the Ministry of Agriculture and Rural Development (MADR) to achieve the objectives of collecting and developing dairy farming, is responsible for putting in place a collection Raw milk between primary collection centers, collectors and dairies. Other agreements also link ONIL to dairies, dairies to collectors and dairies to breeders.

C. Technical support and financial support for the milk sector

Three institutions are in charge of technical support for the milk sector:

- ITELV (Milk and Red Meat Observatory) provides technical support to farmers and training and extension;
- CNIAD deals with artificial insemination and embryo transfer operations;
- ITGC (Technical Institute for Field Crops) provides technical support for the development of forage crops.

2.2. Milk production and milk collection in Algeria

The evolution of milk production in Algeria has seen an upward

trend for several years but at very low growth rates in the face of strong growth in consumption. The latter is triggered by accelerated population growth and considerable support for consumer prices by the State. This situation is the result of the non-existence of a dairy policy proper within the framework of the various development plans, with the exception of a few incentives to encourage production, the impact of which has not been significant.

Milk collection is very low compared to the quantities produced. In fact, milk production in Algeria is very poorly integrated with the industrial production of milk and by-products, and the needs of the processing industry are met by increased use of imports.

A number of factors have contributed to the difficult situation that marks milk production:

- administered prices, lower than the cost price, applied to milk as basic necessities which must be guaranteed to low-income groups. The subsidies granted by the State to the benefit of consumers reflect the will of the public authorities to regulate the national milk market by the simple adjustment of an insufficient supply and a demand in constant progression;
- the low milk collection rate assumed to guarantee the disposal of surplus production. This is mainly due to the fact that breeders prefer to sell milk at remunerative prices to individuals rather than transfer it to processors and dairy farms at lower prices. This also makes the collection rate ridiculous and the costs expensive and the low quantity of milk collected per kilometer due to the strong dispersion of farms. A significant difference separates the cost price of one liter of reconstituted milk from the imported powder and the cost of one liter of raw milk (the first oscillates between 12 and 16 DA / L and the second one is between 30 And 40 DA / L);
- -the low fodder production and the high cost of concentrated feed do not allow the establishment of an intensive dairy production system;
- the marginal use of modern breeding techniques. Two modes of livestock management are generally present, namely: the semi-intensive system and the extensive system. The first is organized at the level of state farms and some farms of professional breeders. Unlike the extensive system, the semi-intensive system is endowed with generally favorable material means (hard-built stables, supplied wells, large cultivable area, dairy cows with high productive potential).
- the disengagement of the public authorities following the 1987 reform announcing the beginning of the liberalization of the agricultural sector, which was manifested by the abandonment of the State of the agricultural sector at a time when, in developed countries, agriculture Was strongly supported. The EU, while agreeing to a reduction in duties and subsidies, advocates in the context of the WTO's multinational negotiations the idea that agriculture must contribute to sustainable development by taking

Account of the non-commercial aspects of agricultural activity (the multifunctionality principle of agriculture). As in the case of European agriculture, the history of American agriculture shows that it has long benefited from consistent government support, ranging from direct aid to farmers to price support Export, passing through a firm protectionist import. The amount of money spent on agriculture by both parties is so great that it is causing great distortions in international markets.

2.3. The constraints of dairy production in Algeria and the means of guaranteeing the upstream integration of the milk sector

Different development plans adopted by Algeria since independence have accentuated the industry (the strategy of the industrializing industry) and thus marginalized the agricultural sector including milk production. This orientation of the decision-makers of the time and the absence of a real dairy policy (apart from a few insignificant actions to increase the quantities produced) partly explains the low yields (liters / cows / day) and national production .

The marginal interest in the agricultural sector in general and in the milk sector in particular has created a number of constraints which have persisted for a long time, making the development of this sector a very delicate task. These are not exhaustively three types of constraints related to forage production, from bovine farming to milk collection.

The weakness of milk production in Algeria is due to a multitude of factors whose permanent deficit in livestock feed is the most important. This deficit can be explained by the narrowness of agricultural area devoted to crops Fodder and inadequate rainfall. The useful agricultural area (UAA) in Algeria accounts for only 3% of the total area (ie 8 million hectares), giving rise to fierce competition between forage crops and so-called speculative crops (arboriculture and market gardening), which The lack of rainfall in most regions of the Algerian territory considerably reduces fodder production due to the impossibility of intensification in the arid and semi-arid zones on the one hand and the fact that The areas most endowed with rainfall (especially the northeast) are predominantly mountainous, the reason why yields remain low. Added to this is the narrowness of irrigated parameters, despite the firm commitment of decision-makers in the most recent agricultural and rural policies (PNDAR and agricultural and rural renewal) to expand the UAA and irrigated area.

The lack of rainfall and the narrowness of the irrigated parameters condemn farmers to cultivate fodder in dry conditions, which affects yields per hectare and food quality, which is synonymous with low milk production per cow and a lower quality milk.

Concerning the second type of constraint, it is worth noting the inadequacy of the cattle populations imported because of climatic and food limits compared to their temperate regions (France, the Netherlands, Germany and Austria). As for the bovine local breed, it is known by the small quantity of milk produced per cow. The ceiling on the price of milk for consumption at a low level, coupled with an attractive price for meat, causes farmers to lose interest in the first activity and

devote themselves almost entirely to fattening.

In order to define the conditions for the emergence of efficient farms and able to cover the needs of consumers and to supply the processing industries with milk, a study was carried out to identify the different constraints and factors. Development upstream of the milk sector at the Cheliff Plain area found four types of dairy cattle breeding through certain typological indicators which are:

- Type A: dairy cattle farming without land. These are for the most part peri-urban, strictly family farms. The use of larger or smaller areas is almost universal;
- Type B: small-scale dairy cattle farming with land,
- Type C: large dairy cattle farming with land,
- Type D: dairy cattle on large farms or large landowners.
- Of these four types of farms are three systems of bovine production, which are:
- Type C is the first system with appropriate inputs. The farms of this system are specialized in milk production.

Type B and D form the second non-specialized system in milk production because it also produces meat (milk-meat pair) associated with a certain polyculture.

- Type A is the third above-ground system with low productivity.

The research results show a high variability in the amount of milk produced per dairy cow per day depending on the type of farm, season and individuals. Indeed, for the type of farming, group C recorded an average productivity of more than 4300 kg per year and per cow whereas type A (except ground) registers 2800 kg per year and per cow. As for the second criterion, the total dairy production of the farms is characterized by seasonal variability, during the winter and spring periods, reaching its maximum in the spring following the availability of green fodder as early as February.

The development of a well integrated and efficient dairy sector is a serious challenge in Algeria. This must necessarily involve the adoption of a dairy policy as such, encompassing the whole chain, ensuring synergy between its various components and guaranteeing the interest of all actors, given of course the realities on the ground. This policy must be carried out to the end so that the results are palpable because the biggest problem that plagues this sector like all the other sectors is the significant discrepancy between policy decisions and implementation, Lack of control and follow-up. In addition to the unfinished nature of the policies implemented because of permanent changes at the top of the trusteeship, thus preventing the stability and coherence of the programs involved. Indeed each new team comes with a new policy without taking stock of the previous programs with a view to taking the appropriate measures ensuring harmony and continuity with what has been done previously. The real challenge of a dairy policy proper is to realize in the long term the integration upstream of the sector and to completely solve the problem of dependence vis-à-vis the international market. This policy should contribute to the

establishment of an intensive livestock system and a viable milk collection system to improve the collection rate. The introduction of an intensive livestock system in a country faced with the scarcity of water requires the extension of irrigated areas and forage areas. Because the few farms under the existing semi-intensive system only partially practice forage crops in order to devote the rest of the land to more remunerative crops such as arboriculture and market gardening. The viability of the collection system is synonymous with its ability to solve the problem of small quantities of milk produced by farming and the distance from the production sites on the one hand and its capacity to guarantee the supply of the processing industries quantitatively and qualitatively. This would not be possible without a firm will on the part of the State to support and protect her domestic production so that it would be protected from the artificial competition of imported milk powder.

CONCLUSION

Although the share of world milk production marketed is small, it is growing faster than the growth of world production. This is partly explained by the fact that many developed countries (including the European Union) are heavily subsidizing the export of surplus production. This creates unfair competition on the international market, leading to the disappearance of small producers in developing countries through artificially competitive imports. These small local producers find themselves confronted with the scarcity of outlets since the processing companies choose to source from the outside milk powder easily usable and less expensive than local milk even after the rise in prices on the international market for several years.

World prices for dairy products are volatile, as supply and demand shifts are delicately adjusted as market players, buyers and sellers are highly concentrated in addition to other factors affecting international trade such as tariff barriers. And non-tariff measures applied by individual countries to protect domestic production.

In Algeria, milk production is far from meeting the consumption needs of the population. The deficit is assured by the imports that rank our country among the first importing countries of this commodity in the world. An important part of the state budget has evaporated since independence without the problem of the food security of the population in this vital product being reached and without the decision makers reaching an end to this structural evil. Even more serious is the fact that these imports tend to increase from one year to the next and threaten the future of processing industries in terms of upstream dependence (milk imports increased by 88% in the first half of 2014, Or an invoice of more than one Billion USD).

The expansion of the UAA, irrigated parameters and forage area, the strengthening of the raw milk collection system and the importation of high-yielding dairy cows have benefited under the National Plan for Agricultural and Rural Development) And the policy of agricultural and rural renewal, strong support from the State. This is now insufficient, since the State must protect domestic producers from competition from milk imported from known countries by the dizzying subsidies

granted to their dairy producers (notably the European Union). The strengthening of protectionist measures (customs duties, quota system, etc.) seem to form the means of this protection. But is this solution foreseeable with the entry into force of the Association Agreement with the European Union in September 2005 and future accession to the WTO? Instead, the reverse happens because Algeria has totally eliminated the taxes on imports of milk powder.

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