

# **Destination choice of raw milk from dairy farmers in the region of Sétif A multinomial logit model**

**Lazereg Messaoud, Kheffache Hamida, Laribi Sabria**

Centre for Research in Applied Economics for Development (CREAD) Algiers (Algeria)

Recently, farmers from the region of Sétif are increasingly coveted by dairy companies to purchase their products. This change was encouraged by the government subsidies for the integration of raw milk in the dairy industry on one side, and another to stop the growing imports of dried powdered milk.

These breeders are characterized by two criteria, working individually and the second is that they lack professionalism.

In this study we try to understand and explain the determinant factors of the market of raw milk produced in the farm. A survey was conducted of approximately 100 breeders in the region of Sétif, as a scope to determine the criteria of market destination choice of their production (to the dairy cooperative, the unit public collection centers or private companies are not present on the territory of the region).

Multinomial logistic regression was used to determine the factors that influence the final choice of dairy farmers. The most important factors are: the proximity of the unit or collection center; relationship with the collector (family relationship, vicinity, reputation...), and the payment method (milk and the production bonus).

Finally, we propose a participatory approach to help these farmers to a better choice of their market for more profitable sales.

**Keywords:** raw milk, market choice, contract, collector, multinomial logit.