INTRODUCTION The agricultural and rural development is conceived as a primary process of conservation and exploitation of natural resources and production systems in a sustainable manner. Due to this fact, the organization of farmers and traders becomes "more micro-economic with the emergence of organization systems of local development, which are all associated to the rural space (Campagne P., 1997). The pulse of dynamic local development could be the trigger effect of a promotion process and of development of economic activities carried out by dynamic actors and operators, often supported by institutional players enrolled in a logical promotion of local economic activities. The aim of the research is to identify the real issues that affect the agricultural and rural development and to try at the same time to make proposals for an approach based on sustainable development and local levels. The present paper analyzes the situation of agriculture and rural development in Algeria, showing the risks, the constraints, but also the challenges and the limitations of recent policies towards development in rural areas. The works concludes by proposing some recommendations based on a clearly strategy of rural area in terms of "sustainable" and "local" development. There is also a process of local and participatory development.