

Perspective Paper



Feeding the Cities of Tomorrow: Urbanization and the Future of Nutrition

September 2026

KEY TAKEAWAYS:

- **Tomorrow's dairy markets are being built today.** Cities now house 45% of the global population and are where two-thirds of population growth through 2050 is projected to occur. Many of the world's fastest-growing cities are in Africa and Asia, shifting future market growth toward regions where food systems and infrastructure are still developing.
- **Urbanization is more than population growth; it is market formation.** As populations become increasingly dependent on purchased food, processing, storage, transportation, food safety and retail become more important. This can expand access to diverse, nutrient-rich foods while simultaneously accelerating dietary changes associated with obesity and noncommunicable diseases.
- **For dairy, the opportunity is to help build future markets, not simply supply them.** Depending on local conditions, growth may be served through trade, local production and processing, often in combination, to create dairy value chains that respond to nutritional needs, affordability and local circumstances.

The geography of global growth is changing. For much of the global dairy industry, today's largest and most established markets are found in developed economies. The demographic forces shaping tomorrow's markets, however, point elsewhere.

The **United Nations estimates that cities now account for 45% of the world's 8.2 billion people**, more than double their share than in 1950.¹ Between now and 2050, approximately two-thirds of global population growth is projected to occur in cities.¹

Most of the world's fastest-growing cities are relatively small in Africa and Asia. Of roughly 400 cities that grew by more than 4% annually between 2015 and 2025, one-third were in sub-Saharan Africa and another quarter in Central and Southern Asia. More than 70% had populations below 250,000.¹

Rather than being concentrated only in the world's largest cities, this growth signals the emergence and expansion of thousands of interconnected urban centers and peri-urban communities across regions where nutrition needs remain substantial and food-system infrastructure is still developing. Recognizing the importance of this transformation, the World Health Organization (WHO) released **Supporting Healthy Diets and Safe Foods in Urban Food Environments** in July 2026. The report identifies rapid urbanization as an important force reshaping food systems, dietary practices and food safety, while highlighting the growing role cities will play in addressing malnutrition in all its forms.²

For the dairy sector, these trends carry an important strategic message: the consumers who will shape future food demand will live in markets whose food systems are still being built.

Urbanization Changes More than Where People Live

Urbanization changes how food moves from farms to people. As populations concentrate in cities and towns, consumers become separated from agricultural production and more dependent on markets for what they eat. Food value chains lengthen, while processing, storage, transportation, wholesale markets, retail and food service become vital to everyday life.

These changes extend beyond major cities. **The 2023 State of Food Security and Nutrition in the World** identified urbanization as a major force transforming agrifood systems across a rural-urban continuum.³ Food purchasing is important not only among urban households, but also in peri-urban and rural communities, while changing demand in cities influences agricultural production, processing and distribution far beyond city boundaries.³

This is particularly relevant in low- and middle-income countries (LMICs). An **analysis** conducted by the Food and Agriculture Organization of the United Nations (FAO) across eleven African countries described changing food supply and demand as a central feature of agrifood value-chain transformation and emphasized that these changes must be understood across cities, towns and their surrounding rural catchment areas.⁴

For food companies, this means urbanization represents more than population growth. It represents market formation. Food that might once have moved short distances within local communities must be aggregated, processed, preserved, transported and sold. The systems between farms and consumers become as consequential as agricultural production itself. Producing milk does not ensure that an urban household can consume it. Milk must reach consumers safely, reliably and at a price they can afford.

More Choice Does Not Always Mean Better Diets

Food-system transformation can substantially improve nutrition. Urban markets can increase access to foods that may otherwise be seasonal, geographically limited or unavailable, including fruits, vegetables, dairy, eggs, meat and fish. Rising incomes can also allow households to diversify away from diets dominated by staple carbohydrates.⁵

Recent evidence from Zambia and Tanzania illustrates this transition. A **study** published earlier this year found that as household expenditure increased, consumers shifted spending from staples toward more diverse, nutrient-dense foods.⁵ Vitamin B12 intake was significantly improved as households increased spending on animal-source foods including meat, fish, eggs and dairy.⁵

Greater food availability, however, does not automatically create healthier diets. Urbanization is also associated with changes in employment, retail, convenience, and food preparation. WHO identifies socioeconomic inequality, changing food-consumption patterns, and the increasing availability of “ultra-processed foods” among the forces shaping contemporary urban food environments.²

The result can be a nutrition paradox. Populations may gain greater access to food while inadequate intake of essential nutrients persists alongside rising overweight, obesity, and other diet-related noncommunicable diseases.

This is why the nutrition transition in LMICs cannot be interpreted through the experience of developed countries. Nutrient inadequacy and dietary excess can coexist between populations, within communities and sometimes within the same household. Therefore, the challenge is not to increase the quantity of food entering growing cities, but to help emerging food systems make safe, affordable and nutrient-rich foods accessible as diets change.

One Country Can Contain Multiple Nutrition Realities

The rural-urban continuum also challenges how companies and policymakers interpret national nutrition data. A national average can be accurate while describing very few people's actual circumstances. Consumers in a major city may experience abundant food choice, changing lifestyles and increasing non-communicable disease risk; families in a secondary city may have improving but highly price-sensitive access to nutrient-rich foods; and rural households in the same country may continue to depend partly on subsistence production and have limited access to diverse foods.

The recent evidence from Zambia illustrates the degree of heterogeneity that can exist even within urban populations. Researchers found meaningful differences among low-, medium- and high-cost urban areas and cautioned that aggregate rural-urban classifications can obscure important differences in food demand.⁵ These findings matter for nutrition policy, but also for investment. When considering which populations can access nutrient-rich foods, in what form, at what price, and through which food environment, different solutions emerge for different markets and highlight the importance of subnational data as food systems transform.

Urbanization Turns Infrastructure into Market Access

In mature dairy markets, roads, electricity, refrigeration, processing capacity, quality systems and retail distribution are expected. In emerging dairy markets, those systems determine whether a market can develop at all. Safe distribution of fresh milk requires appropriate animal health and hygiene, milk collection, testing and processing, and in many settings refrigeration and cold-chain management. Where those systems are impractical, fermented, powdered or shelf-stable dairy products may provide more effective pathways for delivering nutrition. In developed dairy markets, infrastructure supports the market. In emerging markets, building infrastructure can help to create the market.

Nutrient-rich foods cannot improve diets if losses and distribution costs make them unaffordable. Therefore, investment in processing, cold chains, food safety, logistics, packaging and retail serves two functions: commercial capacity and nutrition access. The dairy sector has already **demonstrated how this can generate wide economic benefits**. As dairy sectors develop, rising productivity is associated with higher farmer incomes, increasing employment in processing, greater availability of dairy products and declining consumer prices.⁶

The Investment Opportunity Is Along the Rural-Urban Continuum

This opportunity should not be interpreted as a choice between imports and local production, nor as a call to replicate mature-market dairy models in LMICs. How these markets are supplied will depend on local conditions, including climate, water and feed resources, infrastructure and economics. Where conditions support competitive dairy production, growing demand may drive expansion of local supply and processing. Where they do not, imports from efficient dairy-producing regions will remain an important part of meeting demand. In many markets, the future will involve a combination of both.

Further, the opportunity is not limited to the largest urban centers. More than 70% of the world's fastest-growing cities have fewer than 250,000 inhabitants, and sub-Saharan Africa continues to experience substantial rural population growth alongside urbanization.¹ Therefore, the future food system will need to connect rural producers, small towns, secondary cities, peri-urban communities and major metropolitan markets.

Products and business models will also have to reflect local realities. Household income, electricity and refrigeration, purchasing frequency, package size, transportation, informal retail and cultural food preferences all influence which dairy products can succeed. Fresh milk may be appropriate in one environment, fermented dairy in another, and powdered or shelf-stable products elsewhere, which is where market-specific investment becomes a powerful lever.

Rather than viewing LMIC markets solely through the lens of future product sales, dairy companies should consider how trade, investment, partnerships and, where appropriate, local production can work together to develop resilient dairy value chains. This creates the possibility of strengthening both sides of the market: urban consumers gain more reliable access to nutrient-rich foods while rural producers gain access to expanding commercial demand.

The Dairy Sector Can Help Build Healthy Food Environments

Population growth alone does not make an investment case. The stronger case is that population growth, urbanization, rising incomes and food system transformation are occurring simultaneously in markets where infrastructure and consumer habits have not yet fully matured. That creates a window that does not remain open indefinitely.

There is a responsibility attached to entering markets during periods of rapid dietary transition. Urbanization does not inevitably lead to unhealthy diets. The food environments developing around growing populations influence which foods are available, affordable, convenient and desirable. WHO's urban food-environment guidance identifies public procurement, healthier retail and food markets, land-use planning, food marketing policy, labeling, and improved access to nutritious foods among the actions governments can take to influence the food environment.²

For the dairy sector, this opens partnership opportunities. Investment can expand access to safe, nutrient-rich foods while responsible product development, appropriate portions, culturally relevant foods and engagement with schools and other institutional channels can help expand access to nutritious foods and support healthier dietary patterns as markets develop. This helps ensure that dairy foods are accessible, affordable and available in forms that can contribute to healthier dietary patterns within local nutrition contexts.

This distinction matters because the nutrition needs of rapidly growing cities in LMICs may be very different from those of a mature developed market, and different still from communities only a short distance away. The opportunity for the dairy sector is not simply to follow growth, but to help enable it by connecting rural producers with expanding markets, investing in safe and efficient value chains and making nutrient-rich foods accessible as food environments evolve.

DAIRY LEADERSHIP: A CALL TO ACTION

Invest now in the food systems and markets of tomorrow. The geography of population growth and food demand is shifting. Dairy should look beyond today's market size and use demographic, nutrition, affordability and infrastructure data to identify where future consumer growth and unmet nutrition needs are converging.

By investing in the capabilities these markets need, including processing, food safety and distribution, alongside the appropriate combination of local production and trade, the sector can expand access to nutrient-rich foods while creating opportunities across dairy value chains.

The opportunity is not simply to follow future growth, but to help build the food systems that will support it.

For more information on the Global Dairy Platform's Perspective Papers, please reach out to Dr. Beth Bradley at beth.bradley@globaldairyplatform.com.

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