

The rise of Africa's megacities

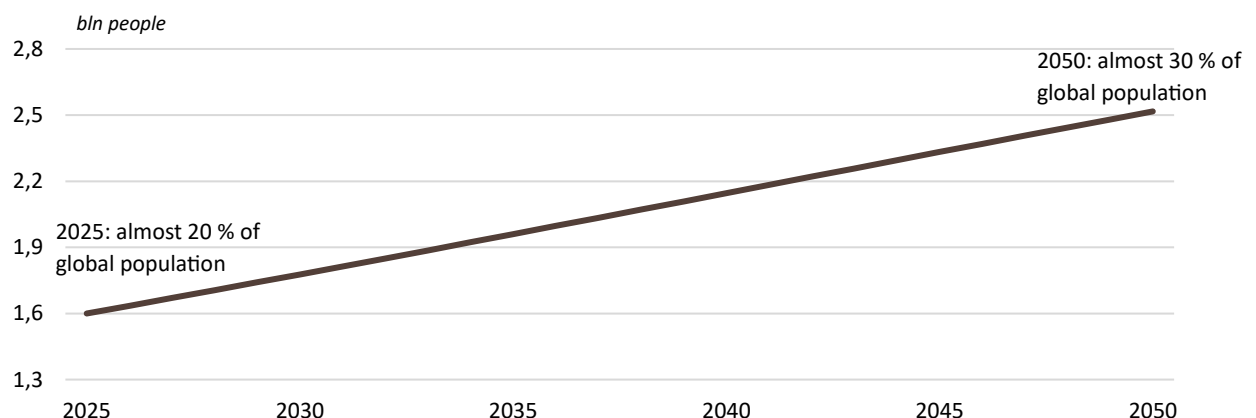
How explosive urban growth and population expansion are reshaping the future of food, trade and industry

According to UN figures and projections, world population is expected to increase from about 8.2 billion today to 9.7 billion by 2050, and it may continue to grow beyond that. It is expected that by the end of this century, more than 80% of the world's population will live in large cities which will lead to megacities and so-called megalopolises. This demographic development poses major challenges for healthcare, housing, the environment and the food supply.

Africa

The largest population increase will take place in Africa. There, the population is expected to grow from more than 1.5 billion today to 2.5 billion in 2050 (figure 1). This means that if these projections prove accurate, nearly 40% of the world's population will live in Africa by 2100. To give an idea: Nigeria alone will have surpassed the United States to become the third most populous country in the world, after India and China.

Figure 1. Population growth in Africa



Source: United Nations (World Population Prospects 2024)

Africa in particular is still in the midst of a phase of rapidly declining mortality but persistently high fertility rates. Many children are being born in large cities or will eventually move to them, which will lead to an explosive urban growth and the emergence of megacities or even megalopolises. This growth of megacities/megalopolises will be unprecedented in world history. The demographic developments in Africa will undoubtedly also affect the global dairy market in due time. While current export activities by the world's net dairy exporters prioritize China and Southeast Asia, Africa's rapidly growing megacities may require a strategic re-evaluation of these priorities.

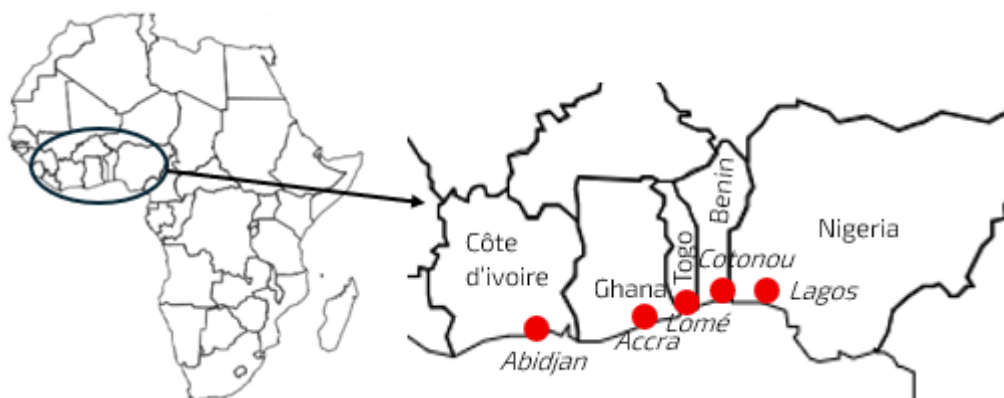
This Insight examines in depth the formation of a West African megalopolis and how the regional dairy sector is responding.

West African area: Abidjan – Lagos

Fast forward to the future, the largest of these merged megacities in Africa will emerge in the West African area, between the cities: Abidjan – Lagos. This area is considered the mother of all

megapolises. The population of Lagos has increased enormously over the past few decades. Today, that number is between 20 and 30 million inhabitants. But it doesn't stop there. In neighbouring countries, coastal cities are also growing rapidly, and soon a continuous urban area will stretch from Abidjan in Côte d'Ivoire to Lagos in Nigeria (figure 2). A massive, interconnected city with hundreds of millions of people spread across five countries by the end of this century, stretching up to more than 800 km long almost as if you were driving from Paris to Barcelona without ever leaving the city.

Figure 2. West African area: Abidjan – Lagos, a megapolis in development



Source: Dairyntel

The developments there are happening so fast that several years ago plans were already being considered for the construction of the Abidjan–Lagos Corridor, a highway connecting these five West African countries. This highway represents far more than a simple transport route. It serves as a vital link promoting economic and social integration throughout West Africa. By 2050, the corridor is expected to connect an estimated more than 170 million people, potentially transforming regional trade, reducing poverty and driving a new phase of industrial development across the region.

As mentioned above, this massive urban growth brings many challenges, including food security. Around rapidly growing cities, agricultural land is disappearing due to housing, industry and infrastructure development. Food has to come from increasingly distant areas, making supply more vulnerable and expensive. Logistics systems (roads, cold chains and storage) are often still weak and infrastructure is poor. Growing cities require modern food supply chains, refrigerated transport and distribution centres, elements that are often still lacking.

Presence of large Western dairy companies

The rapid developments in West Africa have not gone unnoticed. Major European dairy companies have already taken steps to establish a foothold in these countries:

FrieslandCampina is present in Nigeria. Like many other African countries, much of Nigeria's food supply still relies on imports, a dependency the government is determined to reduce. FrieslandCampina is contributing to this goal through its Dairy Development Programme. FrieslandCampina also has an office in Ghana and Côte d'Ivoire.

Danone (Fan Milk) is active in Ghana, Côte d'Ivoire, Togo, Benin and Nigeria through local subsidiaries covering production, cold chain/distribution and a strong brand position in ice/cream/dairy.

Arla opened its own dairy farm in Kaduna state in Nigeria in 2023. Their aim is to support the Nigerian dairy industry in growing and producing more higher quality milk in a more climate-efficiently way. Recently Arla opened a new yoghurt factory, designed to produce yoghurt made from fresh milk

sourced directly from the Arla-Dano farm. In addition, Arla works with local partners for the production and distribution of dairy products under the Dano brand. Arla also has an office in Côte d'Ivoire.

Nestlé has been active in West Africa for decades and operates its regional headquarters in Accra, Ghana. The company is present across West Africa with a variety of brands in several food and beverage categories, including dairy.

Lactalis is also active in Africa, mainly through its subsidiary Parmalat. In April 2025, reports indicated that Lactalis was considering expanding its direct presence in Nigeria. The potential move involves building a new dairy plant, representing a significant investment in the Nigerian dairy market.

Growth in self-sufficiency

Countries themselves are also trying to achieve a much higher degree of self-sufficiency. Various initiatives have been launched to support this goal. For example, Nigeria recently launched the National Dairy Policy, followed by the National Livestock Growth Acceleration Program (NL-GAS). An initiative aimed at doubling annual milk production from 700 thousand tonnes to 1.4 million tonnes by 2030.

The Commercial Dairy Ranchers Association of Nigeria (CODARAN) has been the collective voice for the interests of indigenous commercial dairy producers, ranch operators and small, medium and large-scale dairy farmers for some time.

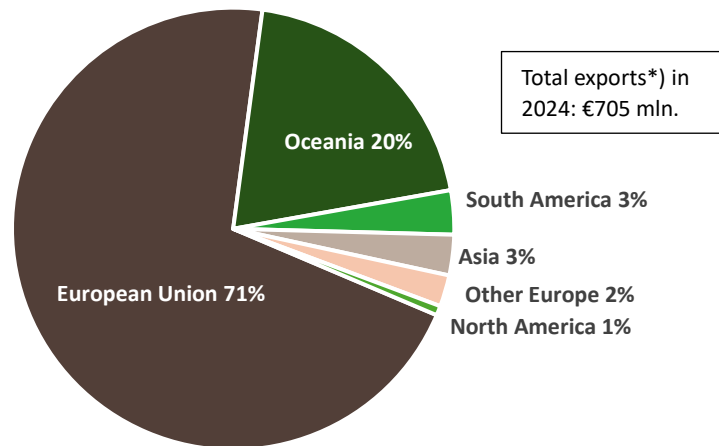
In Côte d'Ivoire the Ministry of Animal Resources and Fisheries and Heifer International recently signed a Memorandum of Understanding (MOU) to support the development of the country's local dairy value chain. The project's main goal is to build a strong and self-sufficient dairy chain in Côte d'Ivoire. In Benin too, initiatives have been taken in recent years to support the development of the dairy sector and to promote livestock businesses.

Trade

Although several of these countries have implemented specific regulations (including import restrictions/duties) governing the import of dairy products, their strong demographic growth and rising consumer demand point to substantial opportunities for expanding exports of milk and dairy products to these markets. Moreover, despite the increasing local presence of major international food companies and national incentive programmes, these countries continue to rely heavily on dairy imports, with Europe (due to the geographically advantageous position) continues to play a particularly important role as their main supplier.

Total dairy exports to the 5 mentioned countries amounted to over €700 million in 2020, but growth came to an abrupt halt in the following years due to price increases resulting from the global COVID-19 pandemic. However, by 2024, total exports had nearly recovered to previous levels. An interesting detail is that, despite their still small relative share, the relative growth in exports (expressed in euros) from China and Uruguay to these countries was the largest over the period 2020–2024.

Figure 3. Relative share in total exports to Côte d'Ivoire, Ghana, Togo Benin and Nigeria (year: 2024)



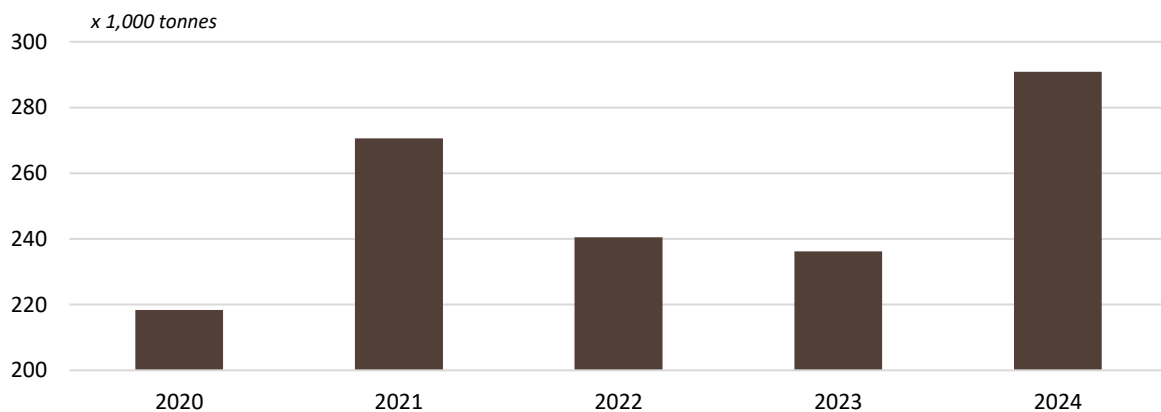
Source: Dairyntel, national statistics

*) African intra-trade excluded

Fat filled powder

The exports of fat-filled powder, given the composition of this product and the requirements of the market, can help meet a part of the growing demand for dairy products, not only to the 5 countries mentioned above, but also to other countries in Africa. European exports of fat-filled powder show a clear growing trend (figure 4).

Figure 4. EU exports of fat filled powder to Africa (HS-code: 19019095, year: 2020 to 2024)



Source: Dairyntel, national statistics

This also creates a link to current developments. With this latent demand for dairy components, there may be an interesting market potential for the large surplus of skimmed milk powder that is rapidly accumulating on the global market. The current sharp decline in dairy prices will certainly contribute to a warm reception in these, until now, less affluent markets.

The Emergence of other megacities and megalopolises in Africa

The explosive growth is not only occurring in the aforementioned area. Given current trends, by the end of this century most megacities and megalopolises in the world will be located on the African continent and are already developing today, for example:

- The Gauteng megalopolis (Johannesburg – Pretoria – Ekurhuleni) in South Africa is often referred to as Africa's first fully-fledged megalopolis;
- Nile Corridor: Cairo – Giza – Beni Suef – Minya. There is potential for a linear megalopolis along the Nile Valley. A chain of urban areas stretches along the Nile. Population pressure is enormous: Egypt already has over 110 million inhabitants. The expansion of 'New Cairo' and the 'New Administrative Capital' reinforces the urban continuity.

In relative silence, other megacities are growing just as rapidly, such as:

- Dar es Salaam (Tanzania). The city's current population of 6 million is expected to double over the next 30 years. And it is quite plausible that Dar es Salaam will become part of a larger megalopolis;
- Kinshasa (Democratic Republic Congo) which is growing very fast (over 4% per year). Within the next 10–15 years, it could potentially become one of the top largest cities in the world by city proper (the geographical area within city limits), if this growth continues. In addition, the city is an important hub within the Kinshasa–Brazzaville agglomeration, a transnational urban zone that connects the capitals of the Democratic Republic of the Congo and the Republic of the Congo.

Africa is clearly entering an era of rapid urbanisation, with numerous megacities and megalopolises emerging across the continent this century. This explosive growth will make secure and reliable food supply one of the greatest challenges of the future. Dairy, as a nutritious and versatile food source, can play a key role in addressing urban food security. Major international dairy companies and African governments are investing to strengthen local production and supply chains. The demand for imported dairy products is expected to remain high and even increase. Trade will therefore continue to play a major role.

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