

Urban Consumers Transform the Global Food System

More than half of the global population lives in medium and large-size cities, a trend that is accelerating in many parts of the world. In addition, average incomes in urban areas are rising, and with that so is the demand for a wider range of high-quality food and agricultural products.

These products cross many borders as they are grown, processed, packaged and sold. Asian consumers eat U.S. pork and farmers there feed their cattle corn and soybeans grown by American farmers, while Asian countries provide much of the seafood and fruit juice that is consumed in the U.S. In Africa, consumers wear clothes manufactured in China with cotton grown in India, while the shelves of Europe's urban supermarkets are stocked with spices from Africa and coffee from Latin America.

As food and agriculture has become increasingly globalized to meet growing demand, consumers around the world remain concerned about the price, safety, quality and sustainability of what they eat and what they wear.



Chinese Urban Consumers — Choices and Concerns

Shen Nianzi's parents were farmers who in 2000 moved to an urban area. Today she lives with her husband and son in a fast-growing city in southeast China.

Her husband prefers to eat chicken and pork, but over the past several years, thanks to an increase in their income, they have begun to eat more beef and dairy products.

Like many of her friends who are urban consumers between the ages of 20-35, Shen Nianzi shops at a modern retail food store and wants to purchase more vegetables to provide healthy meals for her family. In 2017, the Chinese government launched its second 10-year healthy lifestyle campaign, urging consumers to eat less fat, salt and sugar and aim for "a healthy diet, healthy weight and healthy bones."¹

Shen Nianzi is also concerned about rice and other food crops that may have been grown in contaminated farm soil, so she is willing to pay more for trusted brands that she knows are high-quality and safe. That is why, since the birth of her son, she has been favoring foreign brands of food and childcare products in her trips to the grocery store.

She is by no means unusual. China's rapid economic growth is leading to a much greater focus on food safety and nutrition among consumers, with more than 82 percent of people like Shen Nianzi now willing to pay more for foods they know are higher quality, more nourishing and lacking undesirable ingredients. This compares to the global average of 68 percent who are willing to pay for such foods.²

African Urban Consumers — Price and Selection

Mercy is a recent university graduate who works and lives in her hometown of Nairobi. While she keeps an eye on her household budget, she is willing to spend more on high-quality food and occasionally splurges on specialty items from different parts of the world.

Growing up, Mercy's family purchased food at several small stores and local markets. Nairobi had supermarkets, but they were on the city's outskirts, so the family never shopped in them. Recently, however, a supermarket opened in Mercy's neighborhood and it has become her preferred place to buy groceries.

Mercy likes the prices and the diverse selection of items available at the supermarket. Nairobi consumers identified low prices and a large selection of items as the reasons they prefer supermarkets to smaller retail outlets.³

Urban consumers also see many of the premium food products offered by supermarkets as affordable luxury items, especially the varieties of fruits, vegetables, meat, fish, spices and packaged items that are not typically available in African markets. Demand for premium products, even for staple foods, is also strong: 70 percent of the rice consumed in African cities is high-grade premium rice.⁴

While this growing demand for premium grocery products is currently met through imports, it also offers an enormous opportunity for African farmers and processors to profit and grow their businesses by expanding their productivity and capacity to deliver value-added foods.

