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Australia locks in emergency Urea supply from Indonesia

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Australia has secured a critical boost to its fertiliser supply, with a new agreement set to deliver 250,000 tonnes of urea from Indonesia amid tightening global markets and ongoing geopolitical disruptions.

The deal between Incitec Pivot Limited and PT Pupuk Indonesia will supply agricultural-grade urea between May and December, covering roughly 20 per cent of the countryâ??s remaining fertiliser requirements for the current season.

The agreement comes as Australia faces reduced shipments from the Middle Eastâ??traditionally the source of around 60 per cent of its urea importsâ??due to escalating regional tensions. Backed by both the Australian and Indonesian governments, the deal underscores a growing shift toward regional partnerships to safeguard agricultural inputs.

Incitec Pivot chief operating officer Scott Bowman said the arrangement represents a vital step in supporting domestic farming operations.

â??This additional volume is a critical component in meeting the needs of Australian farmers during a challenging period,â? Bowman said, noting that reliable fertiliser supply is essential to maintaining farm output and regional food security.

Agriculture Minister Julie Collins said the government played an active role in facilitating the outcome, working closely with industry and international partners.

â??This agreement guarantees fertiliser supply at a critical time for Australian farmers,â? Collins said, adding that efforts are ongoing to secure further volumes in the months ahead.

In parallel, the federal government has introduced streamlined biosecurity measures to accelerate fertiliser imports from alternative suppliers, including countries such as Nigeria and Oman. The changes aim to reduce costs and delays while maintaining strict safeguards against contaminants.

The supply push follows recent diplomatic engagements across Southeast Asia, including talks with Brunei and Malaysia, as Australia seeks to diversify its fertiliser sources beyond traditional markets.

Despite the new deal, officials caution that supply pressures may persist later in the year, with global volatility and high input costs continuing to weigh on the agricultural sector.