In a new editorial, The Wall Street Journal sounds off on the recent politicking by the ethanol industry that stands to harm U.S. refiners — with no benefit to U.S. farmers.

“The damage from President Trump’s trade war is compounding, and so are the political and policy complications,” the editorial board states. “The President is pondering more sops to the ethanol lobby to placate farmers who are angry about his tariffs. Better to fix trade mistakes than to double the harm by genuflecting to Lord Corn.”

The editorial reveals that the biofuels industry is pressuring the president to increase the amount of ethanol that must be blended into the U.S. fuel supply, and also “wants higher requirements on biodiesel fuels.” But “Irony alert: U.S. biodiesel is insufficient to meet the mandates, so more will be imported from abroad. Does Mr. Trump want to add to the U.S. trade deficit?”

“Then again,” says the editorial board, “all of this is about the politics, not the merits.”

The ethanol industry claims that domestic demand for their product is being “destroyed” by the EPA exempting small refineries that face severe hardship from complying with federal biofuel mandates. But in reality, domestic ethanol consumption is in not decreasing — in fact, it nears record highs.

“Ethanol consumption for the first five months of the year was 5.9 billion gallons, up from 5.82 in 2018, according to the Energy Information Administration. The blend rate for the same time frame was about 10.2%, up from 10.03% the previous year,” the editorial board writes.

The truth is, the “tumble in ethanol prices” the biofuels industry is attempting to mitigate “is the result of a confluence of events, including bad weather and overproduction. Oh, and don’t forget trade: The Journal noted this week that China halted ethanol imports, a small share of the U.S. output but the fastest-growing foreign market.”

Read the full editorial from The Wall Street Journal here.

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