

**ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,
DIVISION OF ENVIRONMENTAL QUALITY**

IN THE MATTER OF:

AFIN: 01-00008

LIS No. 21-140

RICELAND FOODS, INC. – SOY DIVISION
HWY 79 AND PARK AVENUE
STUTT GART, ARKANSAS 72160

CONSENT ADMINISTRATIVE ORDER

This Consent Administrative Order (CAO) is issued pursuant to the authority delegated under the federal Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and the federal regulations issued there under. In addition, this CAO is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (the Act), Ark. Code Ann. § 8-4-101 *et seq.*, Arkansas Pollution Control and Ecology Commission (APC&EC) Regulation 7, APC&EC Regulation 8, APC&EC Regulation 18, APC&EC Regulation 19, and APC&EC Regulation 26.

The issues herein having been settled by agreement of Riceland Foods, Inc. – Soy Division (Respondent) and the Director of the Division of Environmental Quality¹ (DEQ), it is hereby agreed and stipulated that the following FINDINGS OF FACT and ORDER AND AGREEMENT be entered.

FINDINGS OF FACT

1. Respondent owns and operates a large agricultural products storage and manufacturing complex located at Highway 79 and Park Avenue in Stuttgart, Arkansas County, Arkansas.

¹ Pursuant to Act 910 of 2019, the Arkansas Transformation and Efficiencies Act, the former Arkansas Department of Environmental Quality is now the Division of Environmental Quality in the newly created Arkansas Department of Energy and Environment.

2. There are four Air Permits referenced in this CAO. 0908-AOP-R12 (Permit R12) was issued on February 19, 2019, and voided on February 20, 2020. 0908-AOP-R13 (Permit R13) was issued on February 20, 2020, and voided on April 15, 2020. 0908-AOP-R14 (Permit R14) was issued on April 15, 2020, and voided on August 6, 2020. 0908-AOP-R15 (Permit R15) was issued on August 6, 2020.

3. Ark. Code Ann. § 8-4-217(a)(3) provides:

(a) It shall be unlawful for any person to:

...

(3) Violate any provisions of this chapter or of any rule or order adopted by the Arkansas Pollution Control and Ecology Commission under this chapter or of a permit issued under this chapter by the Division of Environmental Quality;

4. Ark. Code Ann. § 8-4-103(c)(1)(A) provides, “Any person that violates any provision of this chapter and rules, permits, or plans issued pursuant to this chapter may be assessed an administrative civil penalty not to exceed ten thousand dollars (\$10,000) per violation.”

5. Pursuant to Ark. Code Ann. § 8-4-103(c)(1)(B) as referenced by Ark. Code Ann. § 8-4-304, “Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessment.”

Inspection Findings

6. On February 10, 2021, DEQ personnel conducted a full compliance inspection of Respondent’s facility.

7. The inspection covered the reporting period of January 1, 2020 through December 31, 2020.

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8. Specific Condition 25 of Permit R12 and Specific Condition 21 of Permits R13, R14, and R15 states that the permittee shall not exceed a Volatile Organic Compound (VOC) emission rate of 593.6 tons per rolling 12-month total as determined by a mass balance of VOC materials in the soybean oil extraction process.

9. During the inspection, it was discovered that Respondent exceeded the VOC emission rate limit of 593.6 tons per rolling 12-month total during three (3) months, October 2020 through December 2020 (Table 1), of the reporting period covered by the inspection. Such acts violate Specific Condition 21 of Permit R15 and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.

Table 1

Month	12-month Rolling Total VOC Limit	Facility 12-month Rolling Total of VOC
October 2020	593.6 tons	596.0 tons
November 2020	593.6 tons	612.3 tons
December 2020	593.6 tons	608.7 tons

10. Specific Condition 47 of Permit R12 and Specific Condition 43 of Permits R13, R14, and R15 state that the permittee shall not exceed a rolling 12-month VOC emission rate of 1.98 lbs per ton of rice bran processed in the extraction plant.

11. During the inspection, it was discovered that Respondent exceeded the 12-month rolling total emission rate limit of 1.98 lbs of VOC per ton of rice bran processed during six (6) months, July 2020 through December 2020, of the reporting period covered by the inspection. Records submitted by Respondent on April 29, 2021, indicated that Respondent exceeded the 12-month rolling total emission rate limit of 1.98 lbs. of VOC per ton of rice bran processed during three (3) months, January through March 2021, following the reporting period (Table 2). Such

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act violates Specific Condition 43 of Permits R14 and R15 and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.

Table 2

Month	12-month Rolling VOC emission rate limit per ton of Rice Bran Processed (lbs.)	Facility 12-month Rolling VOC emission rate per ton of Rice Bran processed (lbs.)
July 2020	1.98	2.03
August 2020	1.98	2.12
September 2020	1.98	2.27
October 2020	1.98	2.32
November 2020	1.98	2.38
December 2020	1.98	2.32
January 2021	1.98	2.23
February 2021	1.98	2.19
March 2021	1.98	2.12

12. In a letter dated March 17, 2021, DEQ informed Respondent of the compliance issues identified in the inspection conducted on February 10, 2021. This letter was intended to give Respondent an opportunity to review the issues identified and submit any additional information Respondent deems appropriate.

13. On April 29, 2021, Respondent submitted a response to the March 17, 2021 letter. The response stated that in November 2020, Respondent had an equipment supplier conduct an audit to address the high hexane loss and several issues were identified. Respondent stated that in the soy extraction plant, four major items were identified: extractor main shaft seal was leaking, extractor main shaft side plate was leaking, the desolventizer-toaster-dryer-cooler (DTDC) vapor recovery system (VRS) tray had a steam leak, and the DTDC vapor wash had damaged hexane spray nozzles. The desolventizer-toaster-dryer-cooler vapor recovery system tray and vapor wash were repaired and put back online in December 2020. In order to repair the extractor mainshaft

seal and extractor mainshaft side plate, Respondent stated it will have to purge the extraction system. Respondent further stated it will be taking a downtime at the soy extraction plant the week of May 2, 2021, to perform the purge; a contractor will be onsite during the downtime to repair the remaining two items. In the rice bran extraction plant, three major items were identified: the first skillet/desolventizing tray was offline, the staybolt deck chute was damaged, and the staybolt decks were plugged. Respondent stated all rice bran extraction plant items were repaired in December of 2020.

14. On June 8, 2021, DEQ sent Respondent a formal enforcement letter for the compliance issues discovered during the February 10, 2021 compliance inspection.

15. In an email dated August 24, 2021, Respondent stated that the purge of the extraction system was conducted on May 2-3, 2021.

Excess Emissions Report

16. Specific Condition 69 of Permit R14 state that the permittee shall not exceed NOx emission rates at the Thermal Energy Conversion System (SN-87). The permittee shall demonstrate compliance with this condition by Specific Conditions 75 and 82 and maximum equipment operating capacities. Compliance with the NOx emission limits for SN-87 is demonstrated by compliance with Specific Conditions 77 through 82. Compliance with the NOx emission limits for SN-87 is also demonstrated by the Continuous Emission Monitoring (CEM) required in Specific Condition 81.

17. Specific Condition 87 of Permit R15 state that the permittee shall not exceed NOx emission rates at SN-87. The permittee shall demonstrate compliance with this condition by Specific Conditions 93 and 100 and maximum equipment operating capacities. Compliance with

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the NOx emission limits for SN-87 is demonstrated by compliance with Specific Conditions 95 through 100. Compliance with the NOx emission limits for SN-87 is also demonstrated by the CEM required in Specific Condition 99.

18. On October 7, 2020, January 5, 2021, April 14, 2021, and July 8, 2021, Respondent submitted Excess Emissions Reports (EER) to DEQ for the 3rd Quarter of 2020, 4th Quarter of 2020, 1st Quarter of 2021, and 2nd Quarter of 2021 respectively.

19. A review of the EERs indicated that Respondent exceeded the 30-day rolling average Nitrous Oxide (NOx) emission rate limit of 91.0 lb/hr at the SN-87 during the 3rd and 4th Quarters of 2020 and the 1st and 2nd Quarters of 2021.

20. The EER for the 3rd Quarter of 2020 indicated that Respondent exceeded the NOx emission rate limit at SN-87 for 17,280 minutes or 13.04% of the 3rd Quarter of 2020. The EER for the 4th Quarter of 2020 indicated that Respondent exceeded the NOx emission rate limit at SN-87 for 43,020 minutes or 32.47% of the 4th Quarter of 2020. The EER for the 1st Quarter of 2021 indicated that Respondent exceeded the NOx emission rate limit at SN-87 for 46,260 minutes or 35.69% of the 1st Quarter of 2021. The EER for the 2nd Quarter of 2021 indicated that Respondent exceeded the NOx emission rate limit at SN-87 for 23,460 minutes or 17.90% of the 2nd Quarter of 2021. Respondent provided no known reason for the NOx emission rate exceedances. Such acts violate Specific Condition 69 of Permit R14 and Specific Condition 87 of Permit R15 and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.

21. On November 9, 2021, Respondent submitted an administrative amendment to DEQ to remove several sources, including SN-87, from the Permit.

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22. In a letter dated November 10, 2021, Air Permits approved the administrative amendment to remove several sources, including SN-87, from the Permit.

ORDER AND AGREEMENT

WHEREFORE, Respondent, neither admitting nor denying the factual and legal allegations contained in this CAO, and DEQ do hereby agree and stipulate as follows:

1. This CAO addresses all violations contained in the FINDINGS OF FACT.
2. In compromise and full settlement of the violations specified in the FINDINGS OF FACT, Respondent agrees to pay a civil penalty of **FOURTEEN THOUSAND DOLLARS (\$14,000.00)**. Payment is due within thirty (30) calendar days of the effective date of this CAO. Such payment shall be made payable to:

DEQ, Fiscal Division
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317.

In the event that Respondent fails to pay the civil penalty within the prescribed time, DEQ shall be entitled to attorneys' fees and costs associated with collection.

3. All applicable submissions required by this CAO are subject to approval by DEQ. In the event of any deficiency, Respondent shall, within fifteen (15) calendar days of notification by DEQ, submit any additional information requested. Failure to respond adequately to the notice of deficiency within fifteen (15) calendar days constitutes a failure to meet a deadline and is subject to the civil penalties established in the following Paragraph.

4. Failure to meet the limits, requirements, or deadlines of this CAO or the applicable approved schedules provided for herein constitutes a violation of this CAO. If

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Respondent fails to meet any limits, requirements, or deadlines, Respondent shall pay, on demand, to DEQ civil penalties according to the following schedule:

- (a) First day through the fourteenth day: \$100 per day
- (b) Fifteenth day through the thirtieth day: \$500 per day
- (c) More than thirty days: \$1000 per day

Stipulated penalties shall be paid within thirty (30) calendar days of receipt of DEQ's demand to Respondent for such penalties. These stipulated penalties may be imposed for delay in scheduled performance and shall be in addition to any other remedies or sanctions that may be available to DEQ by reason of Respondent's failure to comply with the requirements of this CAO. DEQ reserves its rights to collect other penalties and fines pursuant to its enforcement authority in lieu of the stipulated penalties set forth above.

5. If any event, including, but not limited to, an occurrence of nature, causes or may cause a delay in the achievement of compliance by Respondent with the requirements or deadlines of this CAO, Respondent shall notify DEQ in writing as soon as reasonably possible after it is apparent that a delay will result, but in no case after the due dates have passed. The notification shall describe in detail the anticipated length of the delay, the precise cause of the delay, the measures being taken and to be taken to minimize the delay, and the timetable by which those measures will be implemented.

6. DEQ may grant an extension of any provision of this CAO, provided that Respondent requests such an extension in writing and provided that the delay or anticipated delay has or will be caused by circumstances beyond the control of and without the fault of Respondent. The time for performance may be extended for a reasonable period, but in no event longer than the period of delay resulting from such circumstances. The burden of proving that

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any delay is caused by circumstances beyond the control of and without the fault of Respondent and the length of the delay attributable to such circumstances shall rest with Respondent. Failure to notify DEQ promptly, as provided in the previous Paragraph of the ORDER AND AGREEMENT, shall be grounds for a denial of an extension.

7. This CAO is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d), and therefore is not effective until thirty (30) calendar days after public notice of the CAO is given. DEQ retains the right and discretion to rescind this CAO based on comments received within the thirty (30) day public comment period.

8. As provided by APC&EC Regulation 8, this matter is subject to being reopened upon Commission initiative or in the event a petition to set aside this CAO is granted by the Commission.

9. Nothing contained in this CAO shall relieve Respondent of any obligations imposed by any other applicable local, state, or federal laws. Except as specifically provided herein, nothing contained in this CAO shall be deemed in any way to relieve Respondent of responsibilities contained in the permit.

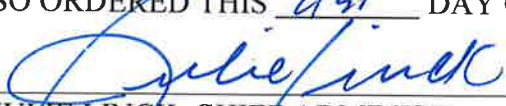
10. Nothing in this CAO shall be construed as a waiver by DEQ of its enforcement authority over alleged violations not specifically addressed herein. In addition, this CAO neither exonerates Respondent from any past, present, or future conduct that is not expressly addressed herein, nor relieves Respondent of the responsibilities for obtaining any necessary permits.

11. By virtue of the signature appearing below, the individual represents that he or she is an Officer of Respondent, being duly authorized to execute and bind Respondent to the terms contained herein. Execution of this CAO by an individual other than an Officer of Respondent

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shall be accompanied by a resolution granting signature authority to that individual as duly ratified by the governing body of the entity.

SO ORDERED THIS 21ST DAY OF DECEMBER, 2021.


JULIE LINCK, CHIEF ADMINISTRATOR
ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,
DIVISION OF ENVIRONMENTAL QUALITY

APPROVED AS TO FORM AND CONTENT:

RICELAND FOODS, INC.
– SOY DIVISION

BY:  (Signature)

Andrew H. Dallas (Typed or printed name)

TITLE: Interim President and CEO

DATE: 12/13/2021

