

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

IN THE MATTER OF:

AFIN: 01-00008

LIS No. 23-087

RICELAND FOODS, INC.
-SOY DIVISION
HIGHWAY 79 AND PARK AVENUE
STUTTGART, AR 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 thereunder. 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) Rule 7, APC&EC Rule 8, APC&EC Rule 18, APC&EC Rule 19, and APC&EC Rule 26.

The issues herein having been settled by agreement of Riceland Foods, Inc. – Soy Division. (Respondent) and the Chief Administrator of the Division of Environmental Quality (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.

2. There are three Air Permits referenced in this CAO. 0908-AOP-R15 (Permit R15) was issued on August 6, 2020, and voided on May 19, 2022. 0908-AOP-R16 (Permit R16) was issued on May 19, 2022, and voided on March 2, 2023. 0908-AOP-R17 (Permit R17) was issued on March 2, 2023.

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 DEQ;

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.”

6. On April 6, 2023, DEQ personnel conducted a full compliance inspection of Respondent’s facility. The inspection covered the reporting period of January 1, 2021 through February 28, 2023.

7. Specific Condition 21 of Permits R15 and R16 states that Respondent shall not exceed a Volatile Organic Compound (VOC) emission rate of 593.6 tons per rolling twelve-month total as determined by a mass balance of VOC materials in the soybean oil extraction process.

8. Records reviewed during the inspection indicated that Respondent exceeded the rolling twelve-month VOC emission rate total in January 2021 (Table 1). Such an act violates

Specific Condition 21 of Permits R15 and R16 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
January 2021	593.6 tons	604.4 tons

9. Specific Condition 43 of Permits R15 and R16 states that Respondent shall not exceed a rolling twelve-month VOC emission rate of 1.98 lbs per ton of rice bran processed in the extraction plant.

10. Records reviewed during the inspection indicated that Respondent exceeded the rolling twelve-month VOC emission rate of rice bran processed in the extraction plant during twenty-four months of the reporting period covered by the inspection (March 2021 through February 2023) (Table 2). Such an act violates Specific Condition 43 of Permits R15 and R16 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.)
March 2021	1.98	2.12
April 2021	1.98	2.13
May 2021	1.98	2.17
June 2021	1.98	2.33
July 2021	1.98	2.32
August 2021	1.98	2.46
September 2021	1.98	2.42
October 2021	1.98	2.40
November 2021	1.98	2.27
December 2021	1.98	2.19
January 2022	1.98	2.29

February 2022	1.98	2.21
March 2022	1.98	2.18
April 2022	1.98	2.14
May 2022	1.98	2.16
June 2022	1.98	2.12
July 2022	1.98	2.28
August 2022	1.98	2.11
September 2022	1.98	2.05
October 2022	1.98	2.05
November 2022	1.98	2.09
December 2022	1.98	2.18
January 2023	1.98	2.14
February 2023	1.98	2.22

11. In a letter dated May 23, 2023, DEQ informed Respondent of the compliance issues identified during the inspection conducted on April 6, 2023. This letter was intended to give Respondent an opportunity to review the issues identified and submit any additional information Respondent deemed appropriate.

12. In correspondence dated July 18, 2023, DEQ informed Respondent that formal enforcement action was proceeding regarding this matter.

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. To demonstrate compliance with Specific Condition 21 of the current active Permit R17, Respondent shall submit the rolling twelve-month VOC records required by Specific Condition 22. These records shall be submitted for three (3) consecutive months beginning with the month following the effective date of this CAO. The records shall be submitted by the fifteenth (15th) day

of the following month for which they pertain.

2. To demonstrate compliance with Specific Condition 43 of the current active Permit R17, Respondent shall submit the rolling twelve-month VOC records required by Specific Condition 44. These records shall be submitted for three (3) consecutive months beginning with the month following the effective date of this CAO. The records shall be submitted by the fifteenth (15th) day of the following month for which they pertain.

3. In compromise and full settlement of the violations specified in the FINDINGS OF FACT, Respondent agrees to pay a civil penalty of **NINETEEN THOUSAND TWO HUNDRED DOLLARS (\$19,200.00)**. Payment is due within thirty (30) calendar days after 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.

4. 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.

5. 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 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.

6. 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.

7. 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 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.

8. 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.

9. As provided by APC&EC Rule 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.

10. 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.

11. 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.

12. 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 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 6th DAY OF November, 2023.



CALEB J. OSBORNE
DIVISION OF ENVIRONMENTAL QUALITY, DIRECTOR
CHIEF ADMINISTRATOR, ENVIRONMENT
ARKANSAS DEPARTMENT OF ENERGY & ENVIRONMENT

APPROVED AS TO FORM AND CONTENT:

RICELAND FOODS, INC.
-SOY DIVISION

BY:  (Signature)

Andrew H. Dallas (Typed or printed name)

TITLE: VP- General Counsel & Sec.

DATE: 11/1/23