



**ARCHER DANIELS MIDLAND COMPANY
Clean Air Act Civil Judicial Settlement
Fact Sheet**

Overview: The Department of Justice and the Environmental Protection Agency on April 9, 2003, announced a landmark Clean Air Act settlement with grain industry giant Archer Daniels Midland Company (ADM), which will cover operations at 52 plants in 16 states. The settlement is the result of an unprecedented joint federal and state enforcement effort with 14 states and counties signing onto the consent decree. Under the settlement, ADM will implement broad sweeping environmental improvements at plants nationwide that will result in a reduction of at least 63,000 tons of air pollution a year. This is the first major NSR/PSD settlement involving the grain and oilseed processing industry.

State/County Co-Plaintiffs:

States:

**Arkansas
Indiana
Illinois
Iowa
Kansas
Minnesota**

States:

**Missouri
Nebraska
North Dakota
South Carolina
Texas**

Counties:

**Polk, Iowa
Linn, Iowa
Lancaster, Nebraska**

Company Background: ADM is the largest producer of ethanol in the United States, nearly 50 percent of the market. The ADM also produces other corn products, including sweeteners, starch, oil, and meal, from its seven corn mills. ADM is thought to be the largest producer of domestic vegetable oils at 28 plants, using a solvent extraction process to separate oils from soybeans, sunflowers, cottonseeds, peanuts, and canola.

Environmental Benefits of the Settlement: The manufacturing process at ADM's plants result in emissions of significant quantities of regulated air pollutants, including nitrogen oxides (NO_x), carbon monoxide (CO), particulate matter (PM), sulfur dioxide (SO₂), volatile organic compounds (VOCs) and Hazardous Air Pollutants (HAPs).

Under the settlement, ADM will implement broad sweeping environmental improvements at plants nationwide that will result in a reduction of at least 63,000 tons of air pollution a year.

•21,000 tpy of VOCs •23,000 tpy CO •11,000 tpy SO₂ •7,000 tpy NO_x •1,000 tpy PM.

ADM will install state-of-the art controls on a large number of units, shut down some of the oldest, dirtiest units, and take emission limits on others. Additionally, ADM's oilseed operations will accept new, more stringent emission limits for VOC and HAP emissions—limits the regulators expect will set new standards for the industry.

Violations: The United States and the co-plaintiffs alleged that ADM failed to accurately estimate its emissions from hundreds of process units, and expanded other units without the installation of required air pollution control technology, violating the Clean Air Act.

The complaints, filed in federal district court in Illinois, allege that these ADM plants are major sources of air pollution, which are subject to the Clean Air Act's New Source Review (NSR)/Prevention of Significant Deterioration (PSD) requirements, as well as the New Source Performance Standards (NSPS) of the Act. As such, they were required to install air pollution controls to reduce emissions and to get the appropriate preconstruction and operating permits.

Terms of the Proposed Consent Decree:

Civil Penalty: \$4.6 million, which will be shared with the co-plaintiffs.

Injunctive Relief: EPA estimates that ADM will spend \$340 million over a 10-year period to implement the entire injunctive relief package, which includes \$213 million on capital improvements, like air pollution control equipment.

Corn Mill Requirements: Reduction of 59,000 tons per year from all facilities

- ▶ Regenerative Thermal Oxidizers (RTOs) thermal oxidizers and flares installed on dryers, fermenters, carbon furnaces, ethanol loadout operations and other vents for reduction of VOCs and CO (estimated 40 pollution control units to be installed);
- ▶ Reduction of SO₂ and NO_x from boilers and burners through the use of selective non-catalytic reduction (SNCR), and ultra-low NO_x burners for NO_x, scrubbing, and lime injection for SO₂;
- ▶ Acceptance of New Source Performance Standards (NSPS) applicability for boilers, storage vessels, process units, grain elevators, and coal preparation plants.

Oil Seed Requirements: Reduction of 4,000 tons per year from all facilities

- ▶ Best Available Control Technology (BACT) for total VOCs from all oil seed facilities;
- ▶ Interim emission limits effective immediately at nine plants, all below Maximum Achievable Control Technology (MACT) requirements;
- ▶ Early MACT compliance at four additional plants;
- ▶ Condenser upgrades at 22 plants by April 1, 2006;
- ▶ Pilot of innovative technology at Decatur East and West plants with implementation on all lines, if successful, or evaluation of alternate technologies, if unsuccessful;
- ▶ Acceptance of NSPS applicability for boilers, storage vessels, and process units.

ADM will modify all operating permits to implement lower, more stringent emission limits.

Supplemental Environmental Projects: Under the consent decree, ADM has committed to spend \$6.3 million on supplemental environmental projects to be completed within three years of the consent decree's lodging. These projects include:

- ▶ A project to retrofit catalytic converters on diesel buses to reduce NO_x and PM emissions affecting sensitive populations in areas near ADM plants. This project will cost \$1.1 million and will be performed with federal oversight.
- ▶ \$2.3 Million under the "Illinois Green School Bus Program" funding a variety of strategies for reducing emissions from school buses.
- ▶ An additional \$1,275,000 in projects in the State of Illinois, including \$1 million to assist in the restoration of endangered habitat by the Illinois Conservation Fund.
- ▶ \$200,000 for activities to restore the McPherson Wetlands in Kansas.
- ▶ \$150,000 to obtain emissions reductions beyond those required by law at a source at ADM's Kershaw, South Carolina, plant.

Source: Office of Enforcement and Compliance Assurance, April 9, 2003