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Banking landscape

Lubar investment helps company add equipment to grow

By *Molly Newman*Published *July 22, 2011*

A technology that extends the shelf life of food without adding preservatives has propelled Milwaukee-based American Pasteurization Company to success.

The company uses highly pressurized water to eliminate pathogens and spoilage organisms that could cause food-borne illnesses like E. coli or listeria if consumed, said Justin Segel, APC president and founder.

Food products, already in plastic packaging, are fed into a machine that exerts up to 87,000 pounds of water pressure per square inch. On decompression from that threshold, no pathogen could survive, Segel said.



SHELF LIFE American Pasteurization Company employee Ofelia Ramirez lowers packaged hot dogs into equipment that will use highly pressurized water to eliminate pathogens and spoilage organisms.

"Any organism that's in there living ... that decompression perforates the cellular structure of that organism, it disrupts it, and it basically dies," he said.

The technology is effective, but it's expensive. Each of the 100,000-pound machines used for APC's high-pressure processing costs \$2.5 million.

"We were able to bootstrap it up to a certain point, but a growing business requires capital," Segel said.

Lubar & Co., a Milwaukee investment firm, recently announced a partnership with APC. Lubar has invested a "substantial" undisclosed amount in APC so the company can purchase additional equipment and increase its production, said David Lubar, president and chief executive officer.

"(Segel)'s been working for several years to prove the technology is effective," Lubar said. "He's a proven CEO developing a growing customer base."

APC is located at 2880 N. 112th St. on Milwaukee's far northwest side. It has between 50 and 70 employees at any given time. Segel founded the company in 2004 after working in the food production industry.

Since the machinery is such a large investment, Segel saw a need for a company focused exclusively on high-pressure processing.

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"We wished there was somebody who was set up to do this as a core competency and charge by the pound," he said.

Since it began offering high-pressure processing to food manufacturers, APC has grown from processing 5,000 pounds of food per week to more than 500,000 pounds per week. As the technology has become the gold standard in the food industry, demand is spiking, Segel said.

The investment by Lubar will allow APC to expand into another 400 square feet with its fourth high-pressure processing machine. Special flooring must be installed, but Segel hopes to have the new equipment operating by mid-August.

Most foods with at least 15 percent water activity can be processed by high-pressure processing. While it's not feasible for dry goods, sauces, meats and seafoods can all benefit from the process.

After being treated with high-pressure processing, the shelf life of a hamburger patty is extended from 21 to 42 days, Segel said.

"This is going to be a hugely exciting change in the ground beef world," Segel said. "We hope to be running millions of pounds for them."

High-pressure processing technology is poised for continued growth because of the devastating effect food recalls can have on a company, the waste that comes with some foods' short shelf lives and a growing demand for fresh, preservative-free foods from customers, Segel said.


About Molly Newman


Newman's reporting beats include manufacturing, financial services and health care. She composes news stories and analysis for the BizTimes Milwaukee magazine, for the BizTimes Daily news report and for BizTimes.com.

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