

GROWERTALKS

GT in Brief

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Lowe's Closing Orchard Supply

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Continuing the West Coast horticulture shakeup/shakeout started by the Color Spot bankruptcy, Lowe's announced on Wednesday that it's going to close the 99 locations of Orchard Supply Hardware that it bought in 2013 after Sears spun it off in 2011. Most of those stores are in California and Oregon; Florida has eight, including one under construction.

The closing is due to a "strategic reassessment" and a drive to "focus on [Lowe's] core home improvement business," they said. With \$600 million in sales vs. Lowe's \$68 billion, the small chain, founded in 1931 in San Jose, California, as a farmers' cooperative, wasn't a big part of the corporation's bottom line.

Still, 4,300 employees will be impacted, and are being encouraged to apply for positions at Lowe's. They will receive placement assistance and severance pay. Stores are already liquidating inventory, and all will be closed by the end of the year.

As for Lowe's itself, "In addition to the decision to exit Orchard Supply Hardware, we are developing plans to aggressively rationalize store inventory, reducing lower-performing inventory while investing in increased depth of high velocity items," said president and CEO Marvin Ellison. "Our strategic reassessment is ongoing as we evaluate the productivity of our real estate portfolio and non-retail business investments."

For the fiscal year, Lowe's total sales are expected to increase 4.5%, and comparable sales are expected to increase 3%. Lowe's currently operates 2,155 stores in the US., Canada and Mexico. **GT**