

Brookshire's to pull out

Closing 2, selling 2 metro-area stores

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The Brookshire's grocery store at Ridgewood Road and Adkins Boulevard is one of two company groceries being closed in the Jackson market. Two metro-area stores will be sold to Kroger. (Rick Guy/The Clarion-Ledger)

Stores Closing

- 2861 Terry Road, Jackson
- 5841 Ridgewood Road, Jackson

Sold to Kroger

- 143 Albertsons Drive, Brandon
- 7045 Old Canton Road, Ridgeland

Brookshire's grocery chain is leaving the Jackson market by closing two stores in the city and selling two others.

Kroger will purchase the Brookshire's stores in Ridgeland and Brandon for an undisclosed amount, a company official said Wednesday.

The two Jackson stores on Terry and Ridgewood roads are scheduled to close Feb. 11.

Brookshire's spokesman Sam Anderson wouldn't say why the company elected to close the Jackson stores and, in an interview with The Clarion-Ledger, did not reveal the pending sale to Kroger.

"It's simply a business decision that we felt was in the best interest of the company," he said of the decision to close the stores.

Brookshire's entered the metro area in May 2002 purchasing the four stores from Albertsons. The grocer's share of the market has hovered around 5 percent, but it was never able to challenge market leaders Wal-Mart and Kroger.

Smaller, regional grocers, such as Brookshire's, are facing an increasingly difficult time as they compete with large chains, particularly in an economy that has forced consumers to place greater emphasis on price, says Terrie Ellerbee, associate editor with The Shelby Report, a retail-grocery trade publication.

"Consumers have been and still are looking for the lowest price and basing shopping decisions primarily on that one factor," she said. "That behavior has favored bigger players who, because of their size and influence, can afford to offer deeper discounts."

The closings will affect 150 employees, but some will be offered jobs at other Brookshire's locations, Anderson said.

He would not say if workers will be offered severance.

Kroger spokesman Joe Bell said the company will interview current Brookshire's workers interested in working for the company.

"We still need to operate those two stores," Bell said. "We're going to need good people."

Bell said the company expects to complete its purchase by mid-May.

For south Jackson, the closing of the Terry Road store leaves residents with few options. Kroger closed its Raymond Road store in August 2007 and has not been able to find a replacement.

"(Brookshire's has) cheaper food than other stores," said Jackson resident Charles Taylor, who's shopped at the Terry Road store for about five years.

"We want Brookshire's. We love the food," added Jackson resident Carolyn Jenkins, who said she'd have to drive "too far" to shop once the Terry Road store closes.

Jackson is not only losing two grocery stores, but also the sales tax revenue they generated for a city in the midst of budget woes, said Nina Holbrook, who heads the Metrocenter Area Coalition, an organization that promotes economic growth in south Jackson.

There are no shortage of grocery stores in the city, but the number of chains that could potentially fill the two soon-to-be-vacant locations is dwindling, she said.

"You don't have a lot to choose from anymore," Holbrook said. "It's another terrible hit for Jackson."

Grocery stores typically draw a majority of their customers from within a three- to five-mile radius, so the closings may force customers to shop in nearby municipalities, said Benjie Barham, business development director for the Hinds County Economic Development District.

"Grocery store chains are (typically) penny-on-the-dollar-type investments," he said.

Barham said smaller chains, such as Brookshire's, are having to re-examine how and where they operate like never before.

Wednesday's changes would leave the Texas-based chain about 150 stores in Arkansas, Louisiana and Texas.

In a difficult economy, Kroger has been able to broaden its presence in metro Jackson in the last few years, opening new stores in Byram, Flowood and Madison, while renovating others in a three-year, \$75 million program.

Cincinnati-based Kroger Co. is one of the largest grocers in the nation, with annual sales of \$76 billion last year.

The company has 12 stores in the Jackson metro area.

Once the sale is finalized, it should take four to seven days to install company signage and computer networks, Bell said, adding the stores will be closed "as short as possible." No other changes to the buildings are expected, he said.