J. C. Penney: The Man, the Store, and American Agriculture

William Friedricks
Simpson College

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Business journalists have spilled a lot of ink about the demise of department store J. C. Penney amid the retail revolution led by Amazon. In the wake of this negative news comes *J. C. Penney: The Man, The Store, and American Agriculture*, an interesting biography of the company founder. Readers should not judge the book by its title, however. Author David Delbert Kruger, an agricultural research and instruction librarian at the University of Wyoming, focuses primarily on Penney’s ties to, and then involvement in, agriculture; those seeking a detailed business biography of Penney the merchandiser and the store bearing his name will need to look elsewhere.

Penney was born into a large family in rural Missouri in the late nineteenth century. Tough agricultural times meant a hardscrabble existence on the Penney farm. Besides farming, Penney’s father also volunteered as a Baptist pastor, and the young Penney was imbued from an early age with a mixture of Christian morality and the Protestant work ethic, emphasizing hard work, independence, frugality, and treating others fairly.

The adolescent embraced agrarian life but did not envision a future in farming. Penney’s father agreed, and seeing his son’s aptitude for sales and marketing, he arranged a job for him with a local merchant. After learning the basics of retailing, Penney headed to the American West in 1897. There he joined Thomas Callahan in Colorado in his Golden Rule chain store operation. With a business based on low markups, repeat business, and his core value of fair treatment of suppliers and consumers, Callahan found a ready market for his retail formula in small mining towns and agricultural communities in the region. Callahan taught Penney about mass merchandising and the idea of growing through employee partnerships. Penney rose rapidly and was soon offered a generous deal. In 1902 he became the managing partner of the new Golden Rule store in Kemmerer, Wyoming. Under Penney’s savvy leadership, it was immediately successful. By 1904 he was overseeing three Golden Rule stores; three years later, he bought his partners out.
Penney expanded rapidly, employing the partnership strategy. By 1913 there were 48 stores in eight western states. That year, the operation was renamed J. C. Penney and changed from a partnership to a corporation. Growth continued as the company went nationwide and eventually moved into larger cities and suburbs, but for years its bread and butter remained Main Street storefronts serving small rural communities. There were nearly 70 J. C. Penney stores in Iowa as of 1933.

Curiously, it was shortly after Penney moved to New York City, where the firm’s corporate headquarters had been relocated, that his interest in agriculture was reignited. He purchased a large farm in Dutchess County, New York, but had no intention of being a gentleman farmer. He knew the difficulties faced by American farmers and now had the opportunity to better their situation. He bought the farm with his Golden Rule principle of “doing unto others” in mind and established a Guernsey dairy cattle operation in an effort to improve the breed and help farmers generally. The effort was a success and became “a living blueprint of [his] future projects” (36).

Penney later returned to Missouri, buying his family’s former farm and others, where he started a purebred Aberdeen Angus beef herd and horse and mule business. But by far his most ambitious agricultural effort infused by his Golden Rule philosophy was Penney Farms, a 120,000-acre model community he established in northeast Florida in the 1920s. There he planned to use the partnership strategy he had employed so successfully in building his department store. After going through a rigorous application process, selected farmers and their families were provided with a home on 20 acres rent-free for one year. They could gradually accrue an interest in the farm by raising crops and eventually purchase their own land. Besides carving out the town and building the infrastructure, Penney also established an agricultural research institute there to educate farmers. Unfortunately, he suffered major losses during the Great Depression and was forced to sell off most of the land making up the farms. However, many of the farmers who bought into the experimental community stayed, and Penney Farms remains an incorporated town today.

As the foregoing suggests, this book offers a different perspective on mass merchandising mogul J. C. Penney. It is not a comprehensive biography, but those interested in learning about Penney’s abiding ties to American agriculture will want to read it.