

GREAT GRIZZLY TIMES



A MESSAGE FROM THE PRESIDENT

Looking Forward to a Great 2024 Season

With memories of the COVID season behind us, we can now look forward to the sales cycle that brings the July 4th holiday sales back to the weekend. The Thursday holiday for 2024, I believe, will show an uptick from the 2023 total fireworks sales. It will continue to push sales for at least the next four years.

As mentioned in some of our other newsletter articles, the supply of product is obviously better than last year, which should benefit every retailer. Be ready for sales growth in 2024, and with the weekend sales cycle starting, we should be on a nice path to sales growth for the coming seasons. Expect change on an annual basis in China supply conditions; change is on-going in China, and likely situations there will continue to evolve.

Now that Chinese New Year is over, the China suppliers have indicated that the domestic market sales were very good but were not equal to the sold-out levels of a year ago. Still, the manufacturing days to finish orders bound for the US market are quickly coming to a close. There is a high possibility that the factories will not be able to complete all products ordered in time for them to reach the US market by July 4th.

The early shipments that arrived last summer and fall now look much more beneficial to the fireworks importer, who is paying very high interest on the money that it takes to consummate those early shipments. A lack of product or short inventory is a much bigger problem to face than a short-term oversupply. We believe the larger supply in the market is really much easier to manage than dealing with short inventories.

The NFA (National Fireworks Association) has been working on projects such as getting Meta to consider fireworks ads on Facebook and several other very positive social media platforms that offer fireworks retailers some exposure to their local retail customers. Things are changing, I think, for the better. Try using Google Maps and other platforms to assist consumers in finding your stores and locations.

NCI continues to offer more innovative items and new creative effects that bring customers back to your stores year after year. Fireworks are unique in the fact that you really can't buy them online and have them shipped to your door. Therefore, your marketing needs to attract and maintain your customer base, which is very important to your continued success in the retail marketplace.

We are always looking for ways to assist our customers in promoting their businesses and increasing their market share. New last season, our 24/7 online ordering gives our customers instant access to all the products that we offer. We are constantly trying to make it easier to find those items that you want and to place an order. That being said, our sales staff is still more than happy to talk with you about our new products or anything related to the fireworks business. We're here to help you be more successful.

We are celebrating our 69th year in the fireworks business! We have great products and people. Come to one of our demos, or just give us a call. We're here to help. Yours in fireworks, onward and upward to increasing sales for July 4th, 2024.

For recent updates on any and all fireworks business issues, visit us online at www.greatgrizzly.com.



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WHAT'S INSIDE

A MESSAGE FROM THE PRESIDENT	1
64-THOUSAND DOLLAR QUESTION	2
QUESTION CONT./INTRODUCTION	3
CAMBODIA PRODUCTS	4
DEMO/NFA/META MEETING	6
COWGILL RUNNING FOR 2ND TERM	7
NEED TO KNOW INFO	8

Richard B. Shields
President/NCI

THE SIXTY-FOUR THOUSAND DOLLAR QUESTION

Hello to all of you die-hard pyros out there! I'm assuming, if you found yourself flipping through the Great Grizzly Times, that you must have at least a trace of black powder running through your blood. Am I right? It has been many moons since my last article in this fine publication, and I thought it was time to dust off the ol' typewriter and share my thoughts with the Great Grizzly Nation!

I have recently analyzed a multitude of data in producing our 2024 Spring Wholesale Pricelist and gained great insight into market trends, signals, and conclusions within our segment of the industry. Hence, 'The Sixty-four Thousand Dollar Question' is... Where are we headed? That is a loaded question, and probably why the value placed on it is so high, but I will do my best to answer it honestly and objectively. I'll do this at no cost to you, and now you can rest assured that reading this newsletter is indeed worth your time.



KURT GOWGILL

US wholesale prices are continuing to trend downward. You'll find that our 2024 catalog yielded a decrease in price from the fall for over 60% of the items we carry. On average, prices fell 6.5%, following a similar drop last fall and also last spring. That average can be deceiving as the percentage is much higher in several categories, with Sparklers, Smoke Items, Aerial Assortments, Parachutes and Roman Candles taking above-average decreases. Another 35% of our items remained flat, leaving just 5% that had a price increase. Inventory levels in the US are on the heavy side, but proceed with cautious optimism. Factory prices on the China side have been steadily rising since the spring of 2022, and although freight has come down, those continuous price increases are closing the gap in the relief of lower ocean freight costs.



PICTURED ABOVE IS 1600 PIECES OF OUR HIGHLY POPULAR ROCK HARD RAM 18 SHOT IN THE FACTORY DRYING ROOM DURING OUR RECENT TRIP TO LIUYANG HUNAN CHINA

The retail market for fireworks rebounded in a big way for those that get to sell product for New Year's Eve in the south. Most everyone we heard from reported double-digit percentage increases over the previous year. I feel that the momentum is going to continue to build over the next 4 seasons, which will put the last few seasons and the current climate of overstock in check. The 4th will fall on favorable days over this time frame, and then there is that thing everyone is talking about, the 250th anniversary of the USA. Much like the solar eclipse that occurred in April of this year, it is sure to be a big event nationwide and will be an opportunity for fireworks dealers to capitalize on if there are ample amounts of inventory available to buy and sell.

There are many signals that the supply chain is still weak, unstable, and unreliable when it comes to fireworks. Our primary source for manufacturing currently has more lucrative opportunities within their own country, making exports a low priority. There are many hassles that come with exporting fireworks that simply don't exist when producing and selling domestically. How long that will last is anyone's guess, but it is currently the apple of the factories' eyes. As we are at the end of another shipping season, we can report a lower than normal fulfillment rate for orders placed "early," which is prior to July 1st last year, in some places as early as March of 2023. In a year that likely had the lowest demand from the US ever relative to capacity, that is a bad sign for what is possible in the next 3-5 years.

This forces importers to speculate a lot, similar to the position we were in from late 2020 to early 2022. We've seen this play out in the not-so-distant past—only this time we have the pressure of the China domestic market cutting export output even more than before. With that in mind, I feel everyone will try to play their hand a bit differently. US wholesalers will certainly be more conservative so as not to end up in a position of extreme oversupply again. Nonetheless, even if there is no disruption in the cycle and demand increases steadily over the next 4 years, that alone will prompt the steamship lines to raise their rates, probably significantly.

Continued on page 3

SIXTY-FOUR THOUSAND DOLLAR QUESTION CONTINUED

Continued from page 2...

Back to 'The Sixty-four Thousand Dollar Question' of... Where are we headed? In summary, I believe the supply chain is in the eye of the storm. Right now, there is an abundance of merchandise available. Many wholesalers, including NCI, are offering products at or below cost to move that oversupply and avoid carrying costs and high interest rates. This will not last more than another 12 months until another shift happens. Once we arrive at that point, the discussion will once again center around high freight rates and a short supply of goods.

If you are a die-hard pyro and your livelihood depends on selling snakes and sparklers, I confidently advise you to continuously invest in securing your fireworks inventory 1-2 years ahead of time. This will pay dividends in the future when the market turns quickly and you aren't looking at empty shelves. I've enjoyed having an uninterrupted platform to project my thoughts, but I am happy to continue this conversation or speak about another topic under the fireworks sun with anyone that made it to the end of this article. Best wishes to all of you on a tremendous 4th of July sales season!

KURT

Kurt Cowgill
Vice President

INTRODUCTION: GABI SPURLOCK



I am so excited to be part of the team in Muncie! I am Indiana born and raised and a Ball State graduate. After graduation I stayed put here in Muncie and I've been here for almost 10 years now. I am joining the fireworks industry after several years in retail management and I'm excited to see the overlap between them. Although I am new to NCI, I am a quick learner and am always enthusiastic to do the job right.

Outside of work I have 4 dogs and many nieces and nephews to spoil!

I look forward to meeting and working with you all through this season.

Gabi

Gabi Spurlock
Administrative Assistant

CREDIT CARD/ACH AUTHORIZATION POLICY

North Central Industries, Inc. will be enforcing our credit card authorization policy in order to protect our customers as well as ourselves from fraudulent transactions. For in person transactions be prepared to show ID. Phone transactions will require a Credit Card Authorization Form as well as a copy of your ID. These can be faxed or emailed. If you have any questions prior to ordering please contact the office in order to prevent a delay in shipment. If using more than one credit card at one time, there will be a charge of \$25 for each card after the first one.

ACH payments are also available after filling out our ACH Authorization form and sending in a voided check.

CAMBODIA FIREWORKS COMPANY

Over the past 3 years NCI has been working hard to diversify our supply chain. With so many issues in China and shipping bottlenecks in the past we have looked to other countries to find alternative sources for consumer fireworks. We have spent a fair amount of time in the past 2 years working with factories in Brazil. Brazil has a large fireworks manufacturing capacity already, a shorter shipping distance, and a government that is willing to work with the industry. Although there is a lot of potential there it will be a long process before we are receiving an impactful quantity of fireworks at a price that is competitive.

While NCI has been working on alternative sources for 3 years, Rod Cameron has been working on it for much longer. Rod saw the changes in China over 10 years ago and started making plans to adapt. Most of you would know Rod by his US fireworks brand Pyro Planet. NCI has carried Pyro Planet items since 2013 and they have always been great items that sell and perform at the top of the categories they are in.

In 2014 Rod and his team started building a factory in Cambodia. I cannot begin to explain what a monumental task it was to start a fireworks factory in another country that did not make fireworks currently or have the supporting industries. The factory was built from the ground up and we received our 1st Pyro Planet container from Cambodia in the fall of 2021. The product we received was fantastic and lived up to the Pyro Planet reputation.

When Kurt and I were in China in October Rod invited us to fly to Cambodia at the end of our trip to see his operation. That trip was eye opening to see what it took and what had been accomplished. The Cambodian Fireworks Company is a massive factory with countless buildings on 40 acres capable of producing up to 300 containers a year. With 450 employees at peak production times, it is the only fully integrated fireworks factory in the world. They produce their own lift and burst powder, fuse, and everything else that is required to make fireworks.

I am excited to announce that we will receive 10 Pyro Planet items this year produced in Cambodia. Out of these 10 there are 2 new 500g, 2 new 3" 9 Shots, and 2 new speeds of fuse. The other 4 items are long time Pyro Planet best sellers. Be sure to check them out in our catalog and website.



STEVEN IRVIN



Steven Irvin
Operations Manager

MADE IN CAMBODIA

DIVERSIFYING THE SUPPLY CHAIN



JOLTIX 32 SHOT

EXPERIENCE THE JOLT OF FIREWORKS IN EVERY BURST. THIS FUN AND ENTERTAINING 24-SHOT CAKE IS LOADED WITH RED, WHITE, PURPLE, GREEN, AND BLUE DAHLIAS WITH WHITE, GREEN, AND GOLD STROBE EFFECTS. IT FINISHES WITH RED SPIDERS TO ENTERTAIN EVERY AGE RANGE IN YOUR CROWD.



TOADSTOOL CITY 16 SHOT

EXPERIENCE THE MAGIC OF TOADSTOOL CITY'S 16-SHOT CAKE, A VIVID SPECTACLE FEATURING THE BRILLIANT COLORS OF THE RAINBOW. DELIGHT IN THE MESMERIZING CHRYSANTHEMUMS, CRACKLE, AND STROBE EFFECTS THAT ARE SURE TO CAPTIVATE AND ENTERTAIN THE CROWD, CREATING AN UNFORGETTABLE CELEBRATION FOR ALL.



JELLY SHOCK 9 SHOT 3"

HEADING OUT ON A LITTLE OCEAN ADVENTURE IN SEARCH OF SOME JELLYFISH WITH ALL THE PRETTIEST COLORS OF THE RAINBOW. ENJOY THE UNIQUE COLORED JELLYFISH SHOTS IN BLUE, GREEN AND PURPLE. THIS NINE ON A BOARD FINISHES WITH 2 SHOTS OF SILVER TIME RAIN WILLOW.



NCI
NORTH CENTRAL
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DEMO NIGHT 2024



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MAY 4
INDIANA

NCI CORPORATE HEADQUARTERS
1500 E. WASHINGTON STREET
MUNCIE, IN 47305

REGISTRATION DEADLINE
APRIL 21
GREATGRIZZLY.COM/REGISTRATION
SCAN HERE TO REGISTER



NFA/META MEETING

The National Fireworks Association (NFA) met with representatives from Meta to discuss issues with promoting products on social media platforms. They recommended reviewing the updated Meta Policies concerning the sale of explosives, particularly for brick-and-mortar stores. The NFA will continue to monitor these policies and procedures.

Policy Rational: To encourage safety and deter potentially harmful activities, we prohibit attempts by individuals, manufacturers, and retailers to purchase, sell, raffle, gift, transfer or trade certain goods and services on our platform. Brick-and-mortar and online retailers may promote firearms, alcohol, and tobacco items available for sale off of our services; however, we restrict visibility of this content for minors (under 21). We allow discussions about the sale of these goods in stores or by online retailers, as well as advocating for changes to regulations of goods and services covered in this policy.

Do not post content that:

- Attempts to buy, sell, or trade, firearms, firearm parts, ammunition, explosives, or lethal enhancements except when posted by a Page, Group or Instagram profile representing legitimate brick-and-mortar entities
- Attempts to donate or gift firearms, firearm parts, ammunition, explosives, or lethal enhancements except when posted in the following contexts:
 - » Donating, trading in or buying back explosives by a Page, Group or Instagram profile representing legitimate brick-and-mortar entities
 - » An auction or raffle of explosives by legitimate brick-and-mortar entities



More information at the following link:

<https://transparency.fb.com/policies/community-standards/restricted-goods-services/>

COWGILL RUNNING FOR SECOND TERM

Serving as the Treasurer of the National Fireworks Association has been a humbling experience since I was elected in September of 2022. I was coming off a 3rd consecutive term of serving as Treasurer for the American Pyrotechnics Safety & Education foundation which gave me a great foundation of experience sitting on a board of directors in a mostly volunteer organization. The landscape of the National Fireworks Association has changed significantly over the past 5 years. I've attended NFA conventions since 2010 and vended at them since 2013. Early on I always thought the annual Expo provided valuable networking opportunities as well as a chance to take the temperature of the industry. I was ready for a new challenge in 2022 and it certainly found me. The NFA board is comprised of 4 executive officers and 1 appointed director. Thankfully, we also have a Membership Services Manager that works to carry out direction from the board and handle membership inquiries. Over the past year, the board concentrated on jump starting several committees to assist the board in progressing on key objectives of the association. An impressive amount of members stepped forward to be involved in these committees, some revived, some new, and some continuing.



In my role as Treasurer, I am primarily responsible for managing the funds of the association, and fulfilling a fiduciary duty to the membership in doing so. In the few short years I've served, with the help of my colleagues, we have streamlined data submission and payment processing on the NFA's new website. We've focused on improving the member experience by making information about expos available 24/7 through the membership portal, as well as created digital opportunities for collaboration between member companies. At the same time, our back office processes have become more efficient by using technology to aid in invoicing, payments, and deposits. We've opened a high yield savings account to take advantage of generous interest rates currently available. In reviewing expo expenditures, I've worked with the board to draft budgets for future conventions to make sure we are maximizing our opportunities to serve our members.

There are many other aspects of being Treasurer, and serving on the NFA board in general include but cannot possibly be listed here. Our board and association staff work hard year around to preserve the use & display of fireworks in the US & give our members the best resources & experience to do business as a fireworks dealer or consumer & use fireworks freely. Truth be told, there aren't many weekdays out of the year where board members aren't taking a phone call, exchanging a text or e-mail, traveling, or participating in some activity related to the NFA. It's a demanding position but it is one I have enjoyed, so I am asking for your support in seeking a 2nd term to the NFA Board of Directors to serve as Treasurer of the organization. Ballots will be available in July 2024 and must be cast by the end of August 2024 ahead of the annual meeting.

For more information on the National Fireworks Association, please visit www.nationalfireworks.org





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NCI OFFERS ADDITIONAL INSURED CERTIFICATES FOR PRODUCT & PREMISE!
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PYROTECHNICS GUILD INTERNATIONAL

2024 CONVENTION

AUGUST 3-9, 2024

BRAINERD, MN

FOR MORE INFORMATION ON PGI:

WWW.PGI.ORG

NATIONAL FIREWORKS ASSOCIATION

NFA FALL EXPO, ERIE, PA

DATE: SEPT 9-13, 2024

FOR INFORMATION ON NFA'S EXPO:

WWW.NATIONALFIREWORKS.ORG

AMERICAN PYROTECHNICS ASSOCIATION (APA)

2024 ANNUAL CONFERENCE

SEPTEMBER 24-27, 2024

SHERATON GRAND, NASHVILLE, TN

FOR MORE INFORMATION CALL (301) 907-8181 OR

WWW.AMERICANPYRO.COM

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