

GREAT GRIZZLY TIMES



NCI

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INDUSTRIES, INC.

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CERTIFICATES - ROLL CALL - INDUSTRY EVENTS



A MESSAGE FROM THE PRESIDENT STATE FIREWORKS LAWS ARE CHANGING

With the 2018 Fireworks season rapidly approaching I wanted to give you some valuable information about states that now can sell fireworks and others that are expanding the products that they can sell. It seems more states are realizing the revenues that they can capture and the failed concept of "prohibition".

Most recently the states that have opened to sell include, Georgia, Iowa, Pennsylvania, West Virginia, New Jersey, and New York. New Hampshire recently updated their law to include reloadable shells. Delaware, Ohio, Virginia, and Florida are in the process of making changes to their present fireworks statute. It is too early to tell if they will accomplish this in time for the 2018 season.

Of course, in these States you must have adherence to local fire and building codes. Georgia, for example, requires that you meet these codes as well as NFPA1124. Pennsylvania has annual licensing fees that begin at \$7,500 and can cost as much as \$20,000 annually for a space greater than 15,000 sq. ft. Most have fees associated with buying fireworks plus the state sales tax. Pennsylvania and West Virginia are the highest at 18% total tax on fireworks purchased. Georgia will charge you a \$5,000 fee on the initial license. Sales tax on fireworks in the Georgia market is 13%. Local business licenses in GA can also be expensive. Business license renewal is based upon annual sales.

Of course, you will need to follow each state's process and procedures to get licensed and approved. Of the states mentioned above, only New York has provided a local option. That being said, many times local zoning or access to water can stop any approval that would have otherwise been granted. If a site is not located in a free-standing building you will most assuredly need to accommodate some additional firewall upgrades to protect adjacent tenants. I caution everyone to check every aspect of the property that you intend to use.

It has happened to the most seasoned fireworks operator to end up with a site that meets 95% of the requirements but the remaining 5% is either too costly or not available to get final approval and occupancy.

Delaware has introduced new legislation for fireworks legalization. I believe that is the first time it has been introduced there. Many things can happen to derail the passage of this new legislation.

We will keep you further updated about these states and any other new changes to fireworks state laws in future newsletters.

Yours in Fireworks,

Richard B. Shields

President

NEWS FROM KURT

CHANGES, CHALLENGES & SOLUTIONS

Hello Friends! Winter days are growing more scarce as of this writing and the Spring weather season is upon us. This means that many of you are starting to think about the upcoming fireworks sales season and looking to set your summer product offerings. We've been working very hard since the end of last July to bring you many new items you will be excited to try as well as getting all your favorites in to fill your initial orders. I'd like to take this opportunity to communicate challenges that all in the fireworks industry are up against as well as share successes that we have achieved since my last writing. I will be covering supply chain production and transportation issues, administrative changes at NCI, and will finish by giving you some advice on new products that are must buys for the upcoming season.



Let's rip the band aid off and get right in to the potential transportation and production issues that will have a noticeable impact on the entire industry. First, I must say, if you've read our newsletters in the last few years this isn't all new news, but now it is becoming a reality more so than in the past. For years, importers and exporters have been taking extreme measures to dodge or in some cases, "take" bullets for our customers. We have built a high level of service expectation and it is now more difficult to maintain that with all the challenges we are facing. On the production side, since the 2018 US production season began in May of 2017, the factories have had production stoppages for a minimum of 170 days since March 2018. Some areas have had more stoppages due to regional accidents.

This number is jaw dropping when you consider it leaves about 135 days total to produce for the US Market. The balance of the year is dedicated to other world markets such as European and Asian. The work stoppages I am referring to are mostly government mandated in the name of safety. About 140 of the 170 days I outlined can be attributed to Summer Heat Ban and Political Meeting Production Bans. The end result of these bans is short supply, rising prices, and high demand. NCI has more leverage than many due to our long-standing relationships with reliable suppliers. When the market was saturated, and product was easy to get, it allowed many new export companies to develop and solicit in the US. Now, the smaller exporters will have difficulty shipping products ahead of our suppliers, and this will disrupt the US import market.

Another part of the supply chain that is in BIG trouble currently is domestic transportation. Once the containers discharge the barge on the west coast, we count on the truck & rail (intermodal) carriers to get the containers to the final destination in a timely manner. A large generation of truck drivers are retiring out of the labor force at a rate that isn't matched by those that are entering, creating a large shortage of drivers. Since Fireworks is considered to be Hazmat, we are seeing an even greater shortage as the hazmat License is carried by less than 30% of those that have a CDL. How does this affect us and you? The answer is unavoidable storage charges at the rail that are non-negotiable. The steamship line allows 2 "free days" for your container to be moved before it incurs demurrage and storage fees of \$150 per day. We experienced such a shortage of truckers from Dec-Feb that we averaged 12-16 days at the rail before we could get someone to pick up the cargo.

The trucking companies will not take pre-appointments and will only give you a spot in line once the steamship line releases a pick-up number, which is a day before your free time starts. If you argue or refuse to pay the storage, it's no skin off their back. They will simply let your cargo sit and continue to accrue storage charges until you send the money, so they can issue a release. It's actually quite a racket! I expect that in the 30-60 days after this writing that the variables will change again, and although some things may improve, we'll have a new set of challenges with little to no time to react. The experience of our staff will allow us to make the best decisions possible with the end goal in mind of servicing our new and long-time customers the best that we possibly can.

On to other news! I'd be remiss if I didn't announce some administrative changes we've had at NCI over this last off-season. I'd like to congratulate Nicole Burnett, Steven Irvin, and AJ Burns for receiving and accepting new positions. Nicole has accepted additional duties as a Marketing/Sales Associate, Steven has accepted a new role as the Director of Operations, and AJ has accepted new responsibilities as the General Manager of Great Grizzly Fireworks. Each of these individuals have stepped up and have a bright future at NCI.



Carriers of all sizes are feeling the pressure caused by a shortage of truck drivers.

The last change I'll announce is a bit humbling. Many of you have met or known me as the Operations Manager over the past 6 years. I'm currently transitioning into my new role as I have accepted the position of Vice President at NCI since January of 2018. For those I've corresponded with since then, I thank you for your kind words. I expect I will continue to provide everyone the same standard of service you have become accustomed to during my career at NCI.

Now, we've arrived at the FUN part, talking about those NEW products for 2018. This year's lineup is truly special, as we have had input from all angles and have collaborated with factory technicians, expert suppliers, and also considered requests we received from our customers last year to produce a new items listing to be proud of. Looking back, every person on our permanent staff had some contribution this year.

From selecting a performance that is just right, to coming up with a name to fit, producing the artwork for the label, figuring out how many to order and the price, all these things were accomplished as a team! I always get the question of 'what is good?' and 'what is special?' concerning new items, so allow me to give my recommendations!

Let's start out with a big hit from 2017. We felt the package needed to match the performance on our new Predator XL shells, so we designed an updated label and also insisted on a holographic, embossed box. We've received the first lot of these and they are stunning! Of course, we shot them to verify the performance and confirmed what we already knew, they were a 10 out of 10. For 2018, get them in a 6, 12, or 24 pack while supplies last.

Next, I'd like to highlight a few assorted cartons that I think will be very popular. We have brought in a set of four 25 Shot duration cakes that we are billing the B.A.S.E. Military Assortment Cakes. This translates to Bravo, Alpha, Sierra, & Echo. Each has a killer label, but even better the shipping carton is printed in full color and can be sold right on your shelf as a retail assortment! Another assorted carton we have this year includes 6 premium cakes and is called Heavy Artillery Assortment. It includes four 200-gram cakes, one 350 gram cake, and also one 500 gram finale cake. You'll recognize the 51 Shot Ultimate 500G Beast included as one of our new 500 Gram Cakes we are offering separately in a packing of 3-1. This is a great variety cake assortment and I would highly recommend it.

Some new 500 Gram Cakes that are worth mentioning include Lion's Share, Rose Grenade, & Money Maker. Lion's Share is a 24 Shot 500G Beast that blankets the night sky with a colorful display of large willow & chrysanthemum effects. Rose Grenade is a new 9 Shot cake that has a reappearing red star effect that you won't believe. Finally, Money Maker features angled tiger tails with green falling leaves floating from the tail as multi-colored peonies cover the sky.

Other items that you are sure to love include: Special Ops 20 Shot, Forever 51 Shot, Planet Assortment 9 Shot Cakes, Free Fallin' Fountain, Powerball Fountain, and don't overlook the Grizzly Chainsaw handheld Novelty Fountain!

As always, it's been a pleasure to write this article and I hope that if you've made it this far you've found some helpful information and have received some enjoyment from it. I tend to get long-winded when talking about the industry I love, but I know you all will forgive me. I sincerely wish all of you a happy, healthy, and prosperous 4th of July season! We've prepared extensively to help you as much as possible but as always if there is something we can do to assist you, please let us know. Until next time!



Although the weather is prime for fireworks production, the factory pictured above is banned from producing fireworks for 21 days in October 2017 during the National Congress of the Communist Party of China out of fear an accident will occur that will cause the government great embarrassment.

Kurt Cowgill

2018 NEW PRODUCTS



Firebird #2825 - If you are looking for a finale for your show this is it! Firebird fills the entire sky 6 times with 7 shots fired in a fan pattern.



Forever #2830 - Forever is a great long lasting cake that your friends and family are sure to enjoy. with 50 shots in a variety of effects.



Midnight Racer #2100 - Light the fuse and stand back as the car roars forward, the afterburner produces a dual color flame!



Zombie Dust #2525 - Zombie Dust has an ever changing firing pattern that will keep you wanting more.



Son of Beast #2528 - Unleash The Son of Beast with this hard hitting 12 shot.



Money Maker #2827 - Money Maker is full of unique effects and an original firing pattern that makes this 13 shot one to remember.



Paint the Sky #2524 - Get ready to paint the sky with this 20 shot cake!



V.I.P #2840 - Get ready to feel like a star as this 18 Shot aerial cake will light up the sky like the paparazzi!



Sidewinder #2832 - Sidewinder missiles seek and destroy earning this cake our 500g Beast logo.



Special Ops #2533
This 20 shot aerial cake features an onslaught of multi-colored effects that will get your heart racing.



Color Smoke Grenades #1233
These quality color pull string smoke grenades produce excellent vivid smoke that is second to none!



Whiskey Bent & Hell Bound #2531

Whiskey Bent - Kick back with a glass of your favorite pour and enjoy this hard hitter.

Hell Bound - This cake has an aggressive firing pattern that will keep you on the edge of your seat!

FROM GREAT GRIZZLY!



Cherry Bomb #2839
An array of new and innovative effects make this a premium new 25 shot 500g Cake.



Big Bad Ass #1508
A 500 gram maximum performance multi shot repeater that shoots a gigantic array aerial effects high into the sky. Bigger is definitely better!

League of Legends Assortments #0153, 0156, 0157
League of Legends offers 3 sizes of aerial assortments to satisfy a wide variety of customers.



NEW TO NCI THIS YEAR - CASE ASSORTMENTS

NCI is excited to bring our customers some exciting new case assortments from Great Grizzly. Case assortments have a high quality color printed carton that gives the retailer the unique opportunity to sell by the case without the customer ending up with a bunch of the same item. All 3 featured here have a unique selection that is sure to fly off the shelves.



The Big Show #0178
This assortment includes a total of 11 cakes featuring 3 - 500 gram cakes and 8 aerial repeaters.



B.A.S.E. Military Assortment #2828
Comes packed with (4) 25 shot 500 gram cakes including Bravo, Alpha, Sierra, and Echo.



Arms Assortment #0174
A total of 6 cakes made up of (1) 500 gram, (1) finale repeater, and 4 aerial repeater cakes.

EXPERIENCE THE LATEST & GREATEST

DEMO NIGHT | MAY 12, 2018

FOR MORE INFORMATION AND TO REGISTER ONLINE, VISIT US AT WWW.GREATGRIZZLY.COM.

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HEAVENLY HOUNDS

NCI will have a special guest at the 2018 Demo and they're excited to meet our customers, take a look at what Erick from Heavenly Hounds has to say:

I am Erick Winebrenner from a small town in Kansas. I have been in the fireworks business with my parents, Ed and Carolyn, for 24 years. In 2015 we introduced Heavenly Hounds in our 5 locations thinking we might sell a few boxes to our loyal customers, but we never could have imagined how successful they would be. We immediately found ourselves receiving a write up in our local paper with a circulation of 30,000, and even a news story on the Wichita CBS affiliate. Heavenly Hounds is an all-natural peanut butter square that relaxes our furry friends during storms, travel, FIREWORKS, or any other situation that makes them nervous! At the very least, it's a product that sells easily at the register as an impulse buy. But we have found that it really sets you apart from the other stands in town, and helps you dominate social media! Now I have been tasked with introducing it to fireworks retailers across the country, and I can't wait to meet you and hear your story!

CREDIT CARD 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 Kim Reynard, Office Manager, in order to prevent a delay in shipment.

AJ AND PGI

I am pleased to have accepted the Pyrotechnics Guild International (PGI) Chairperson of Class C Vendor sales. The chairperson is responsible for working with all of the consumer fireworks companies during convention week. The Class C vending area is a building full of the latest and greatest fireworks the industry has to offer. The convention is a unique opportunity to learn everything there is to know about fireworks, 1.4G and 1.3G! No matter if you've been an enthusiast for years or looking to light your first fuse, PGI is the place for you!

To join PGI for the 2018 convention, held in Mason City Iowa, register today at www.pgi.org

AJ Burns



NCI

**NORTH CENTRAL
INDUSTRIES, INC.**



GEORGIA WAREHOUSE

North Central Industries, Inc. is proud to announce the official opening of our Georgia Wholesale facility. After months of research, planning, and design work, our Wholesale Showroom is a must see. Our Georgia facility currently offers over 300 items in 30 different categories. A large portion of these items are in stock and ready to go, while the rest have begun the journey direct from the factories to our 40,000 sq. ft. warehouse.

NCI, Great Grizzly Fireworks, and Brothers Fireworks have partnered to bring the best of the best to the southeast market. NCI and Brothers have had a strong bond for over 20 years, and 2018 will be no exception. With over 80 NEW Brothers and Great Grizzly items, NCI Georgia will be sure to have your customers rocking this July 4th.

With premium items hand selected by our staff, you are sure to find everything you'll need to supply your retail customers. Our showroom and warehouse facility are located at 5300 Frontage Rd. Suite A-1, Forest Park, GA 30297, just off I-75, only a few miles south of the Atlanta International Airport.

To schedule an appointment to visit our showroom, please call us at 404-565-4972 or send us an email at: sales@greatgrizzly.com.



INSURANCE

ARE YOU COVERED?

NCI OFFERS ADDITIONAL INSURED CERTIFICATES
FOR PRODUCT & PREMISE!

CONTACT NICOLE FOR MORE INFORMATION.

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STEVE GRAVES (800)535-7477

WWW.FRIENDOFFIREWORKS.COM

PYROTECHNICS GUILD INTERNATIONAL

2018 CONVENTION

NORTH IOWA EVENTS CENTER, MASON CITY, IA

AUG 4-10TH, 2018

FOR MORE INFORMATION ON PGI:

WWW.PGI.ORG

NATIONAL FIREWORKS ASSOCIATION

NFA EXPO, WICHITA, KS

SEPT 10-14TH, 2018

FOR INFORMATION ON NFA'S EXPO:

WWW.NATIONALFIREWORKS.ORG

AMERICAN PYROTECHNICS ASSOCIATION (APA)

2018 ANNUAL CONVENTION

CLEVELAND, OH

OCT 2-5TH, 2018

FOR MORE INFORMATION CALL (301)907-8181 OR

WWW.AMERICANPYRO.COM

ROLL CALL! YOUR NCI STAFF:

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JACK MILLER

PRODUCTION MANAGER - 30TH SEASON

BRENDA SAID

ASST. PRODUCTION MANAGER - 21ST SEASON

FREDDIE CHEN

CHINA AGENT - 15TH SEASON