

GREAT GRIZZLY TIMES



A MESSAGE FROM THE PRESIDENT

THE GOOD, THE BAD, & THE NEW NORMAL IN CHINA

Things continue to evolve in China with new factories, closures, consolidations, and a reshaping of the fireworks production facilities in Jiangxi and Hunan provinces. It has seemingly been the goal of the Chinese government to get the large number of factories that did fireworks production for decades to a number that they could manage and maintain.



NCI

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The facts are that the total number of fireworks factories has been greatly reduced in recent years. Sources inside China have told us that it has become a policy of the Hunan and Jiangxi governments to promote the upgrading of fireworks manufacturing facilities. This has been done so by voluntarily closing some factories. Usually, this is done when the factories attempt to renew their licenses. Many have closed or consolidated with larger producers. The Hunan and Jiangxi governments have required the improvements and investment of millions of RMB by the factory owners to obtain a new manufacturing license. Some licenses require more investment and a different type of license, such as the making of artillery shells.

Statistics provided to me from inside China sources stated that Hunan fireworks enterprises had declined from 1,024 factories in 2016 to only 447. Another stat provided said that in Jiangxi another 333 fireworks factories had been closed from 2019 to 2021. Jiangxi province's data from 2021 until now indicated another 126 fireworks manufacturers' licenses had been canceled.

It is obvious from these statistics that the China government intends to drastically reduce the number of facilities that produce fireworks. Other Chinese sources have told us that many of the existing factories prefer to make only domestic products for the local market. The same sources also stated that such a sharp reduction in factories will directly lead to a significant decline in the production capacity of the total Chinese fireworks industry. China's fireworks industry no longer has an unlimited production capacity.

NCI has experienced many manufacturing shortages in the past two seasons. Many items that were routinely available a few years ago are now extremely hard to get. The demand for many generic type items now exceeds the factory supply levels. This is likely to continue.

Most recently the "bad" news for an improvement in the supply chain is the current Covid uptick in China. Jiangxi has had trucking and container shortages, as well as the Port of Shanghai, has now been impacted by a Covid uptick. The zero-tolerance policy in China points to a pattern of high-cost shipping rates and continued glitches in the availability of timely shipping schedules.

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STOCK UP!

Although it's right at two-years since Covid forced many of us into lockdown here in the U.S., it's hard to imagine we are hearing of another Covid outbreak in Shanghai as of March 2022. It is looking like there will be more lockdowns and potential negative outcomes for supply chains that might not be felt here in the U.S. for a few more weeks and continuing into this summer. There is a very high likelihood that we will miss some sailings as an industry and should expect not to receive some of our containers before this July 4th, as a result. We must remember that the vast majority of our fireworks must pass through Shanghai to make their way to the U.S. market.

While the challenges continue as we work diligently with our suppliers to produce and ship our needed inventory as quickly as possible, the reality is that there are less factories and production days with each passing year. So, with demand for fireworks at an all-time high, less factories to produce them, and less available production days, it seems there is no quick path to catching up, anytime soon. Although we've seen shipping costs holding on the high end for a while, we still have no way to predict if they will rise or begin to drop, by any real margin.

Our suppliers tell us that they cannot possible produce what everyone is ordering, with the resources and production days available to them. With all this uncertainty with supply, logistical challenges, and landed costs, it is my advice to "stock up." Luckily, NCI made a move to keep our suppliers producing and shipping as much as they possible could. Sure, it was nice in years past to take a break, gather the data, then place strategic orders. Unfortunately, those days are in the rear-view mirror, and will likely not be seen again, or at least for any importer with the desire for having ample supply readily available for their customers.

At this time, NCI has over 200 containers worth of fireworks inventory in our Indiana and Georgia warehouses, readily available, with several more containers that have hit the water. This is good news for our customers, and for those that take advantage by getting their orders in right away, before it's gone.

We have received numerous calls from around the country from buyers that are being told their containers will not all arrive before the July 4th, and where they are being told by their suppliers that they will not have all they need for the coming summer season. I am also seeing where some importers are still not accepting orders from any new or first-time customers. This tells me that the shortage for the current and expected demands are still very much a real issue.

I hope by the time some of you are reading this, that I've had the opportunity to visit with you at our Georgia demo event held at the Atlanta Motor Speedway on Saturday, April 23rd. If not, I hope to have the opportunity to visit with you at our Muncie, Indiana demo event set for Saturday, May 14th. In the meantime, take care, and stay safe!

Best to you in 2022,



Jeff Brandenburg
Vice President of Sales



A MESSAGE FROM THE PRESIDENT

Continued from page 1

On the “good” side, we have had several months of sustained production from China and have been surprised by the amount of product that we were able to obtain and ship. This gives us some hope that shortages will not be as bad as last season and that we will most assuredly have more inventories and a better selection of products than in the past two years.

NCI as a company has had to change many aspects of our purchases and our shipping timetables. We have become more resourceful and have found solutions that have improved our product selections. Sometimes trying times mean you just keep trying. That leads to new opportunities and new solutions. We won't be left behind as our 65+ years in this business will provide us with the foresight to innovate and solve problems that didn't exist a few years ago. We will be better for it in the end.

Onward to the 2022 season with fuller inventories and to resolve that this will likely be another outstanding year for the fireworks retail business. Here's to wishing you all the best for the 2022 season!



Richard B. Shields
President/NCI



NORTH CENTRAL INDUSTRIES
DEMO NIGHT
2022

MAY 14
MUNCIE, IN
NCI CORPORATE HEADQUARTERS

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BRACKETS OF BOOM

CHAMPION

INFRACTION
54 SHOTS

IN A 16 CAKE SHOWDOWN BETWEEN NCI AND SPIRIT OF 76, INFRACTION WAS SELECTED BY THE FANS AS THE 2022 WINNER!

STAFF FAVORITES

The fireworks industry is an exciting and fun industry to work in. Each day we are surrounded by the products that make people ooh and ahh across the country. Dealing with our products every day gives the NCI staff unique insights into the best packaging, performance, and feedback that we receive from our customers. We thought we would take this opportunity to share some of our favorite items.

KURT

Attack Tank - A jumbo-sized tank that has plenty of ammunition! This beast goes on forever and is a great driveway item.

Pulse Pounder - A new effect cake that will leave you shocked! This features a dense colored strobe paired with a thunderous report. It is sure to get the blood pumping!



STEVEN

Firebird - This 500g was new back in 2018 and is still one of my favorites! It fills the sky shot after shot and does not disappoint.

Motorhead - This item has it all! One of the most unique shapes, performance, and artwork in all of fireworks! What is not to LOVE!

AJ

100 Shot Super Finale - Spent 2 years in development, to love at first sight. This cake jumped to the number 2 selling item in its first season, impressive on any shelf.

Super Stinger - Highly anticipated, now back in stock. Top selling Super Stinger with duel stage mine and vibrant color breaks available in 6 and 24 pack.



TREVOR

House Party - The most impressive little cake. It is very much a small zipper cake and always amazes me with its performance for its size.

Neon 750 - By far the best Saturn Missile with all of the bright colors and sounds that you don't normally get to see in a regular Saturn missile.



STAFF FAVORITES

TYLER

Alien Assault - all of the shells have shooting stars coming out in all directions with the space theme a fiery UFO takes off at the end spinning into the atmosphere to go abduct your cow.

Ben Drankin' - It turns up the patriotism honors the past with its red, white, and blue shimmers. It's what you would see in the sky if Ben Franklin was struck by lightning flying his bald eagle back home from the bar



SEAN

Chain Link 500G - The performance of this 500g cakes are amazing and the linkable capability makes them a must have for any show

Sound of Madness - This is a amazing fast paced zipper cake and Finale with the stars at the end is excellent

ANGELIC

Light Speed - I love the hummer sounds in this one, it is pretty unique. Until I saw this one when it first arrived I had not heard a firework like this before.

Nebula - Bright colors! This one has vibrant colors and the same sounds as Light Speed, what more could you ask for?



JACKIE

Rabid - I love the colors and the shooting effect. Love it!

Fun House - The fountain that is full of surprises! Great for kids to watch.

CONVENTION UPDATES - 2022 SPRING NFA, MOBILE



AJ BURNS

The NFA had the opportunity to bring back the Spring Convention and this time around, Mobile Alabama was the eager host. With promising registration numbers and an opportunity to promote NCI in new territories, our team saddled up and headed south. With nearly 150 members in attendance, NCI had the opportunity to meet with several existing customers as well as a healthy supply of new customers.

As is often the case, most people that we met are familiar with the Great Grizzly brand name. Great Grizzly, a brand that has stood the test of time and continues to grow and innovate each season. Mobile offered a captivated audience as we showcased, and displayed our latest additions to the NCI powerhouse, Fire Factory, and Chain Link brands. Items such as Fire Factory's Neon 750 Saturn with the new condensed tube spacing and the brand-new additions of 200g and 360g to the Chain Link brand. Both items were a raving success during the trade show and performed flawlessly on demo night.

In addition to a decent crowd, Mobile offered many other desirable amenities. The host convention center, Arthur R. Outlaw Convention Center, is situated just a few hundred yards up the Mobile River with direct access to the Gulf of Mexico. A massive convention center that will undoubtedly play host to a fall NFA convention in the near future. The Renaissance Riverview Hotel boasting over 370 rooms sits across the street and is attached via a skyway walkway to the convention hall. In addition, the city of Mobile has a bustling downtown area, much of it accessible on foot. Restaurants, bars, local shops, and a Naval Museum offer every opportunity to explore.

A shining highlight of this trip, the NFA board organized a tour of the local Mobile Port. With two tour buses full of intrigued NFA members and expert tour guides, we were given exclusive access. The tour guides with top-level security clearance were able to explain every integral function of the port operation. The tour buses snaked back amongst aisles, rows, and stacks of thousands of shipping containers. We were able to witness first-hand the large equipment used to move these big metal boxes effortlessly.

During our tour, we were fortunate there was a shipping vessel in port that was actively being loaded and offloaded. The symphony of equipment used to move containers on and off the ship seemed to flow with ease. Our tour guide made a point to tell us that the gantry crane operators were actually a younger generation. Younger crane operators often have experience with playing video games and that dexterity allows quicker hand-eye coordination when plucking containers from the ship and the motor chassis. In addition, once a ship begins the loading/offloading process, it does not stop until it is done. Only severe inclement weather will interfere with operations.

The last stop of our port tour was the adjacent rail yard, situated a few miles from the live port. This rail yard currently only boasts two sets of tracks. However, the Mobile Port Authority is actively working on 2- and 5-year plans to expand this rail yard out to 4 or even more sets of tracks if deemed necessary. This expansion will increase Mobile's port and rail operations tremendously in the very near future. With recent acquisitions of vacant land, the Mobile port is poised for exponential growth for years to come. The resounding message from our tour guide, "Bring on the fireworks!"

AJ Burns
Area Sales Manager

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.

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

WHO'S NEW AT NCI...

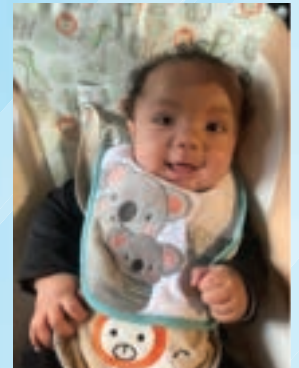
You will be seeing some new faces and hearing some new voices at the Muncie and Georgia offices.

Welcome, Maria Stephens to our Georgia staff. She started on February 1st, 2022, as our Administrative Assistant. She comes to us with experience in customer service, data entry, and lots of knowledge. What she enjoys the most is being able to problem-solve. Overall, due to her strong ethics skills, she is confident that she will be able to achieve all tasks that are required. She is looking forward to learning more about the company and we are happy to have her at NCI.



NCI would like to Welcome Zach Royal as our Transportation Manager at the Muncie office. Zach started with us on April 1st and comes to us after 10 years at UPS and 4 years at Prairie Farms. He is married to a lovely lady Leigh and they have two children Becket who is 8 years old and Cambry who is 5. As a family, they spend a lot of time going to sports functions for the kids, enjoying vacations, and spending time with family and friends. When Zach has some spare time, he enjoys golfing and fishing. Welcome to the NCI team!!

We want to Welcome Gloria Paramo back from maternity leave. Gloria is our Admin Assistant at the Georgia warehouse. On January 1st, 2022, she welcomed a bouncing baby boy. A New Year's Day baby!! His name is Enzo Amour Ervins and he came into this world at 6lbs 5oz at 22inches long. Congratulations Gloria, he is so precious!!!

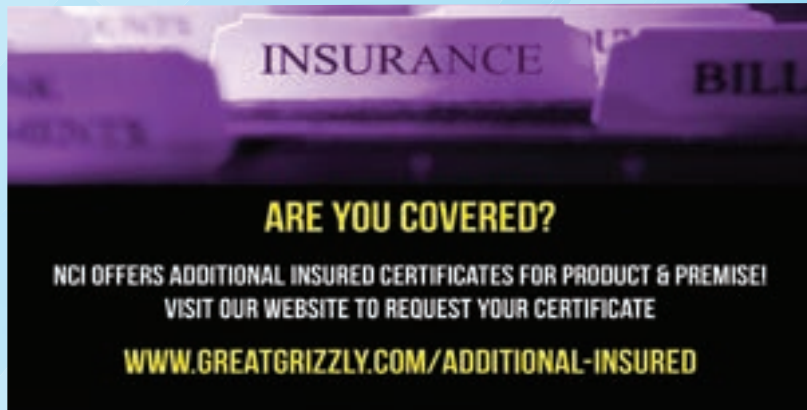


ORDERING TIPS

HOW CAN YOU HELP THE ORDER PROCESS?

1. HAVE YOUR ORDER COMPLETE WHEN PLACING YOUR ORDER
2. HAVE ITEM NUMBERS FOR EACH ITEM
3. THE EARLIER IN THE DAY YOU PLACE YOUR ORDER THE BETTER
4. WAIT FOR YOUR ORDER TO BE PULLED FOR ADD ONS
5. UNDERSTAND ORDERS CANNOT BE PULLED IN ADVANCE
6. EMAILING YOUR ORDER IS THE EASIEST WAY TO SUBMIT YOUR ORDER
7. IF WE ARE SHIPPING YOUR ORDER, PLEASE VERIFY YOUR SHIPPING ADDRESS
8. IF YOU ARE PICKING UP YOUR ORDER, PLEASE MAKE AN APPOINTMENT
9. TRY TO ONLY TALK WITH ONE NCI EMPLOYEE FOR YOUR ORDER TO AVOID MISTAKES AND MISCOMMUNICATION
10. THE MINIMUM ORDER IS \$5,000.00





ROLL CALL! YOUR NCI STAFF:

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PRESIDENT/OWNER - 46TH SEASON

KURT COWGILL
VICE PRESIDENT - 16TH SEASON

STEVEN IRVIN
DIRECTOR OF OPERATIONS - 7TH SEASON

AJ BURNS
AREA SALES MANAGER - 6TH SEASON

ANGELIC WOOD
ACCOUNTS PAYABLE - 8TH SEASON

JACKIE RETZ
OFFICE MANAGER - 3RD SEASON

SEAN ALEXANDER
WAREHOUSE MANAGER - 24TH SEASON

DUSTIN ALEXANDER
ASST. WAREHOUSE MANAGER - 2ND SEASON

JACK MILLER
PRODUCTION MANAGER - 34TH SEASON

BRENDA SAID
ASST. PRODUCTION MANAGER - 25TH SEASON

ZACH ROYAL
TRANSPORTATION MANAGER - 1ST SEASON

JON SULTEN
LEAD TRUCK DRIVER - 14TH SEASON

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ANGELA BRANDENBURG
REGIONAL MANAGER - 5TH SEASON

TYLER BRANDENBURG
WAREHOUSE & FACILITIES MANAGER - 5TH SEASON

TREVOR BRANDENBURG
DISTRICT SALES MANAGER - 5TH SEASON

SANDRA JIMENEZ
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2022 CONVENTION

JULY 30-AUGUST 5, 2022

NEWTON, IA

FOR MORE INFORMATION ON PGI:

WWW.PGI.ORG

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NFA FALL EXPO, KINGSPORT, TN

DATE: SEPT 6-10, 2022

FOR INFORMATION ON NFA'S EXPO:

WWW.NATIONALFIREWORKS.ORG

AMERICAN PYROTECHNICS ASSOCIATION (APA)

2022 ANNUAL CONFERENCE

SEPTEMBER 26-30, 2022

INTERCONTINENTAL HOTEL, KANSAS CITY, MO

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