

Great Grizzly Times

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A Message From The President

North Central Industries

THE FUTURE OF FIREWORKS MFG IN CHINA

As of this writing the weather in Hunan and Jiangxi, China remains to be an issue as spring rains in these areas have slowed production bound for the US market. One supplier called the Liuyang area "less than ideal for fireworks manufacturing, saying that it was too wet in Spring, too hot in Summer and too cold in the winter." Regardless of this assessment Liuyang is and will remain the heart of the world's fireworks production.

Corporate Office 1500 E Washington St Muncie, IN 47305 The China manufacturer continues to have issues with rising labor costs, worker shortages and increases in the cost of materials. Add the additional problem of devaluation of the rmb (Chinese currency) with the US dollar and it is apparent that all is not well in the manufacturing side of the fireworks export business.

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I am going to predict that there is no short term solution for any of these issues. I will expect in the coming seasons we will find product shortages, price increases and a number of suppliers that will abandon the US market entirely. I have already told a great number of my biggest customers to expect all of the above to occur. I am sure in the coming seasons it will be more of an issue as to inventory and stock than ever before. Without inventory the importer such as NCI is out of business and the retailer has nothing to offer the consumer without product to place on the shelves.

We now are placing orders for 2013 and asking suppliers to start producing these goods in May, June, July and August in hopes of catching the best weather in Hunan and Jiangxi. NCI will use only the proven and reliable suppliers and exporters that have the experience and ability to push their orders to the front of the line. It is not business as usual in the fireworks manufacturing business. On the horizon I foresee a challenging business environment in balancing delivery, pricing and quality from Chinese suppliers to the US fireworks market. We will continue to try to cultivate and maintain strong ties with the longtime export companies as they are in the best position to weather the storm. They have the mainland relationships with the most dependable factories ect..... Get ready for the coming changes as low prices will no longer drive the market. Supply and delivery will be the key in the coming seasons!

Richard B. Shields

THE DECLARATION OF INDEPENDENCE

Here are some little known facts about a famous document that we all have studied at one point in school but the facts are commonly skewed.

Did you know

- The adoption of the Declaration of Independence by Congress that marked the separation of the American colonies from Great Britain was <u>not</u> on July 4, 1776. In fact, Congress declared the thirteen American colonies independent from Great Britain on July 2nd 1776, when it adopted the Lee Resolution. July 4th was the formal public announcement and explanation of the independence Congress had voted for. Also the first printed copies of the words were dated for the 4th and not the 2nd by the Dunlap Broadsides.
- The original signed parchment Declaration of Independence was <u>not</u> signed on July 4, 1776. It wasn't until Congress ordered the now much cherished original signed document to be drawn up on July 19th 1776 and congressional delegates did not begin signing it until August 2nd, 1776.
- The creation of the Declaration of Independence proceeded very quickly, June 11 July 9, 1776.
- Even though a committee of five people were appointed to compose the Declaration of Independence that Thomas Jefferson is often thought of as the author. At the request of the committee Thomas Jefferson did write the first rough draft however, and then changes were made to the wording by the other members of the committee.
- Only twenty-six Dunlap Broadsides have been located. Dunlap Broadsides were the first word printings of the Declaration of Independence. Three copies are at the National Archives in the UK. Two are in the hands of private collectors. The remaining twenty-one copies are owned by American institutions, including the National Archives, the Library of Congress, and various universities.
- Eight of the members of Congress who signed the Declaration of Independence were not born in what would become the United States.
- Those who agreed to sign the Declaration of Independence faced serious risks. The British government looked upon the men as traitors and rewards were posted for the capture of rebel leaders. Those that signed the document knew that they could lose their property, money, and even their lives.
- While knowing the great deal of risk taken for this document and the importance of the matter, no steps were taken to preserve this historic document for more than a century.

These little facts can only begin to address the documents importance - both as an expression of political thought and as a physical object - to the history of the great United States of America.

YES MICHIGAN!

The Michigan Fireworks Safety Act allows for the sale and use of Consumer Fireworks such as Roman Candles, Bottle Rockets and other items that leave the ground effective January 2012. Low impact fireworks remain legal such as sparklers, snakes, snaps and poppers.

If you have questions about Michigans fireworks laws & requirements you can email fireworks@michigan.gov.

For additional information, go to: www.michigan.gov/bfs

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Our website has changed! You wont be able to hear the loud explosions any longer when the home pages loads, I know your ears are sad. We hope you will like our new web page. The catalog of products will be improved to show you multiple photos on some items and video! Please feel free to let us know your thoughts on the new design... If they are nice & positive because we have worked hard on it;-) We will have a feature to send out newsletters via email so visit the site to fill out the contact form now! Just note that you are an existing customer & want to be added to our email list.

We are also loading every product video we have onto our YouTube website for your easy viewing pleasure. Join our subscription list (northcentralind).



WEATHER WHETHER

It has often been said that Hunan and Jiangxi have the worst weather for fireworks production. Dripping wet in Spring, scalding hot in Summer and bitterly cold in Winter. All conditions which are not ideal for fireworks production.

Each year, right after Chinese New Year when all the factories return to work, we always face the same problem - rain and humidity. This is typical Spring weather in this part of China.

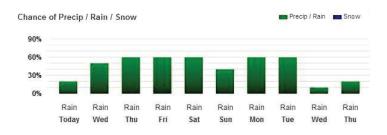
What does rain have to do with fireworks you ask? The principal components of fireworks are all sensitive to humidity.

- 1) **Safety fuse** ever tried to light a wet fuse? Sure, the quality of safety fuse has improved greatly over the years and most safety fuses are now coated with a layer of varnish to keep moisture out. But it can also keep moisture in if the fuse is produced on rainy wet days and it's not 100% fool-proof. Moisture sometimes seeps in, especially when the firework is packed in a sealed carton or in plastic wrap leaving you with a product that has uneven timing or sometimes stops firing in the middle.
- 2) **Black powder** absorbs moisture. One of the components of black powder is charcoal which absorbs moisture like a sponge. When black powder is wet, it may clump together affecting ignition and burn rate, and sometimes even will not light. This affects the timing, the height of aerial shots, and the burst size of a firework, and can also contribute to frequent stoppage in multiple shot items.
- 3) **Paper** Fireworks are all made with rolled paper tubes. After the tubes are rolled, the glue needs to dry. If the weather is wet, the glue doesn't dry and worst, the paper starts to absorb moisture. If tubes are wet, they can easily change shape, overall affecting the quality of the firework. Worst, the wetness will affect the chemicals in the firework and possibly cause fuse stoppage.
- 4) **Stars** Have you ever watched a firework and thought it didn't have as much color as it should or did you ever come across lots of round black pellets on the ground after a fireworks show? It is possible that the stars have absorbed moisture and hence, did not light. This is what we call a black star. It does just that color black.
- 5) **Bamboo** / **Wooden sticks** ever seen moldy bamboo or wooden sticks on your fireworks? Yep, it's because it's often so wet in China and high levels of condensation contribute to the rapid growth of mold.

Factories have to make sure none of their fireworks suffer from the above problems. Most factories will stop work when the weather is too wet, so it takes longer for production to complete as they wait for a dryer day, or when the sun may come out and dry up some of this moisture. When you consider the fireworks will be loaded in a sealed container for around 3-4 weeks, with the high humidity trapped inside and condensation, it is often a good idea to unload your fireworks, inspect the cases for any signs of dampness and place them in a warm dry area with plenty of good air circulation so they can dry out as fast as possible. Usually the fireworks will function properly afterwards if caught in time.

The next weather hurdle will be the Summer when temperatures can reached 40° Celsius (or 104° Fahrenheit) last year and all factories were ordered shut for one month.

All these are contributing to the worsening delivery and production in China for the July 4th season. It does not help the overall situation with a general shortage of workers in fireworks factories. We regret to advise customers that containers planned for shipment in March/April may be delayed as a result of the worsening weather. We continue to advise our customers to order early and well ahead of your season.



CALLING ALL CUSTOMERS!

Visit <u>www.GreatGrizzly.com</u> to see the new design and fill out the contact form to be added to our email list!

By adding your email to our contact form you will receive special information, the latest news!

Don't forget to find North Central on Facebook and Twitter!



PROTECT YOUR B U S I N E S S

NCI is happy to offer you great rates as additional insured through our insurer: Brown & Brown (coverage provided by James River Insurance).

PRODUCT

Product policies are billed as 2% of your firework purchases. It will not be billed on promotional items, freight cost, or on your premise insurance policies. Product insurance will cover some misuse claims or malfunctions that product items may have.

PREMISE

Premise policies would cover a trip & fall type of claim. There are now 5 different policies to choose from!

Half-million ea / 5-Million agg =\$160/mo 1-million ea / 5-million agg =\$210/mo 2-million ea / 5-million agg =\$290/mo 4-million ea / 9-million agg =\$420/mo 10-million ea / 10-million agg =\$630/mo

Please note that policies **cannot** be back dated. Call Nicole today!

ROLL CALL!

Meet the NCI Staff:

Richard B Shields President / Owner 37th Season!

Lori Crespo Imports Mgr/AR 8th Season!

Nicole Werner Marketing Manager 8th Season!

Kurt Cowgill
Product Specialist
5th Season!

Charlie Phipps
Warehouse Manager
27th Season!

Sean Alexander
Warehouse Asst. Mgr
15th Season!

Jack Miller Production Manager 25th Season!

ANNOUNCEMENT:

Long-time employee Stacey Ullmer is no longer with NCI. We wish her well on her future endeavors.

INDUSTRY EVENTS

Indiana Firework Distributors Association

The IFDA works to support your industry, become a member today!

Contact Executive Director Steve Graves (800) 535-7477.

International Symposium on Fireworks Society

13th International Symposium on Fireworks will be held in Malta April 23-27th 2012 www.isfireworks.com

National Firework Association Trade Exposition

2012 Expo will be on Sept 5-8th, 2012 in Joplin, MO www.nationalfireworks.org

Pyrotechnics Guild International (PGI)

2012 Convention "Fire in the Sky"
August 11th- 17th, 2012 in LaPorte, IN
at the County Fairgrounds
www.nationalfireworks.org

American Pyrotechnics Association (APA)

2012 APA Annual Convention
October 2nd-5th 2012 in Louisville, KY
For more info call (301)907-8181 or
www.americanpyro.com



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