Flag Day is June 14

Flag Day still means something in Hebron, Kentucky. We are proud of our flag, the country it represents, and the great men and women who have paid the price for us to enjoy FREEDOM.

Pictured is Chris Kenzel, Anderson Order Manager and recent recipient of the Bronze Star aiming our new AM15-M4-TAC.

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WHAT'S NEXT FOR
AMMO?

MANUFACTURERS TAKE AIM AT ADDRESSING MARKET VOLATILITY

BY KEVIN RUSSELBURG
“Today, there are more shooters using rimfire than ever before and shooting more volume than ever before. People are not just buying bricks of .22s, they’re shooting bricks of .22s.”

John Domolky
Texas Armament & Technology

IF you’ve been in business long enough, you already know your store’s bottom line benefits greatly from ammunition sales. In order to capitalize on them effectively, it’s important to have a plentiful stock of good quality range and personal-defense ammunition on hand to meet the need of your customers. However, the volatility of the ammunition market over the past couple years has challenged a dealer’s ability to provide these products to their customer base. There’s good news, though, for the dealer community: ammunition manufacturers are positioning themselves to meet current and future demand with the anticipated increase in the number of people becoming involved in the shooting sports.

As you well know, there will be spikes in demand that cannot be avoided or planned for — but be encouraged there are ammunition manufacturers looking toward the future to effectively manage their product lines and minimize the peaks and valleys for retailers. Evaluating current trends and avoiding mistakes from previous years, both dealers and high-quality ammunition brands will benefit in satisfying customers and growing the shooting sports.

Election Year Effects
Black Hills Ammunition Inc. has been in operation since 1981 in Rapid City, S.D. Owners Jeff and Kristi Hoffman are focused on delivering the highest quality ammunition with excellent customer service and selling directly to dealers. Their dealer pricing includes freight with a minimum order of one case.

“The ammunition business is heavily influenced by politics, especially during election cycles. People become scared, or uncertain and stock up to avoid the possibility of not having plentiful supplies on the shelf at their local gun store,” said Jeff Hoffman.
Buying surges create a rollercoaster-type environment for ammunition manufacturers and are very difficult to manage, according to Hoffman. “People rush out and buy up everything that’s available creating a void that is very difficult to fill until things settle down,” he added.

Likewise, a stable environment can be just as difficult to manage. When the market is full and there aren’t any current threats for increased gun control, the market stands still and companies sitting on large amounts of inventory can find themselves in financial distress — which has been felt in other product categories in recent years, as we’ve seen with MSRs.

PERSONAL-DEFENSE SHIFT

One noticeable trend in firearm sales is the obvious shift to personal security and safety. “Consumers aren’t really concerned they won’t be able to purchase a particular make and model of hunting rifle,” Hoffman observed. “People are more concerned about purchasing guns to protect themselves and their loved ones. The selection of firearms for this intended purpose is driving demand for specific handgun and semi-automatic rifle calibers.”

Hoffman attributes this shift to people realizing they need to be responsible for their own safety.

“There’s a large, growing segment of people who don’t feel the government is capable of fully protecting the population, and are breaking away from that sense of dependency. People who no longer feel a sense of security are buying guns for safety.” While purchasing firearms, these people are also seeking out training and discover the need for range and personal-defense ammunition, as well as other accessories.

Women shooters are contributing to this segment as well, which is one of the fastest growing segments of the firearms industry. This is driving an increase in some specific calibers, such as .380 ACP and .38 Special.

The demand for 9mm in the market remains strong. Military supplies are now caught up and remain steady, which is creating some surpluses in the commercial market. This is reflected by the current price and availability of calibers such as 9mm and 5.56mm. Traditional hunting calibers continue to remain stable, but do not constitute a majority of sales in the current ammunition market.

Commercial ammunition sales were down a bit in 2015 primarily due to consumers being content with the quantities they have on hand.

There will always be a need in the market for high-quality, economical ammunition for training and plinking, and that particular segment continues to stay strong. However, premium accuracy for long-range, sniper competition and reliability for personal protection comes at an increased cost.

Calibers that are growing in interest include 10mm and 300 AAC. Long-range competitive shooters are showing a strong interest in 6.5 Creedmoor and .260 Remington.

THE RETURN OF RIMFIRE?

In what will be good news for retailers, .22 rimfire products are starting to experience a recovery. Aguila Ammunition has responded to this by expanding their manufacturing equipment to meet the demand in specialty ammunition.

“Beyond the traditional .22 LR, the demand for specialty .22 products is expanding,” said John Domolky, director of sales for Texas Armament & Technology, the exclusive importer of Aguila Ammunition. “The demand for higher quality and higher velocity rimfire ammunition is increasing significantly.”

The record demand that peaked a few years ago prompted consumers to begin hoarding ammunition, but the decreased availability of .22 rimfire ammunition today is most likely due to another reason. Before the years of widespread shortage and hoarding, shooters traditionally used rimfire rifles and handguns for plinking outdoors or to introduce young shooters to the sport. Over the past five years, however, the development and introduction of high-capacity magazines and conversion kits for platforms such as MSR-style rifles has increased the overall usage of rimfire ammunition beyond the occasional backyard shooter.

“It’s a different shooter using .22 rimfire today than five years ago. Today, there are more shooters using rimfire than ever before and shooting more volume than ever before. People are not just buying bricks of .22s, they’re shooting bricks of .22s,” Domolky said.

In addition to their rimfire offering, Aguila manufactures a full line of FMJ centerfire cartridges for range and personal-defense use. The company reports it is in the process of expanding a hollowpoint product line as well.

9MM CONTINUES UPWARD TREND

The improvement in modern projectile effectiveness has decreased the difference between calibers. This is represented by the fact the FBI has decided to go back to the 9mm cartridge from the current .40 S&W — which has had a far-reaching effect among consumers and handguns of both calibers. As these guns work their way into the “trade in” and surplus market, prices of .40 S&W handguns will come down to such a level that makes them attractive to customers, which will in turn drive demand for available .40 S&W ammunition.

As such, 9mm is clearly the caliber of choice for most shooters today. Many factors are contributing to this, such as a higher volume of new shooters entering the market and settling on 9mm as their caliber of choice.

“Just as the release of the GLOCK 42 drove demand for .380 ACP ammunition a few years ago, the GLOCK 43 is doing the same for 9mm. There are also a large volume of high-quality concealable handguns such as Springfield XD-S, S&W M&P SHIELD, Walther PPS that are also contributing to current demand,” Domolky added.

How has your store handled the volatility of the ammunition market? Have you had similar experiences with a shift in demand for 9mm and .40 S&W? Send an email to editor@shootingindustry.com and share your thoughts with us.

THERE WILL ALWAYS BE A NEED IN THE MARKET FOR HIGH-QUALITY, ECONOMICAL AMMUNITION FOR TRAINING AND PLOINKING, AND THAT PARTICULAR SEGMENT CONTINUES TO STAY STRONG.
RELOADING AT HOME

Those who have been reloading their own cartridges at home have also felt the effects of market volatility. Many reloading enthusiasts have a sufficient quantity of brass casings available and ready for the reloading process. The availability of primers and specifically powder at the local level is an opportunity for dealers to offer a significant service to their customers.

Dealers with shooting ranges can also offer an additional service by reselling their used range brass to reloading hobbyists. This keeps good quality brass casing in the local market, rather than selling to metal scrapyards that simply offer straight scrap value for these metals. Adding this service to your local customer base will keep a steady stream of materials in the community at a lower price — which customers value highly.

Additionally, dealers such as Datum Arms in Bolingbrook, Ill., have a constant supply of once-fired range brass sorted, cleaned and ready to ship or pick up at all times.

“We collect all of our brass from local indoor ranges, so we have sufficient quantities of the most common pistol and rifle calibers available in quantities of 250, 500 and 1,000,” said Kent Carrol, a partner at Datum Arms. “We supply the local dealer community with any needs they have for reloadable brass to pass along to their customers. We also sell direct to individual reloaders on a local and national basis.”

Some dealers have recognized a unique opportunity to enhance their reloading sections. They set up displays with working reloading operations to showcase some of the latest equipment offerings and also to provide an opportunity to educate existing and potential future reloaders on the equipment, processes and best practices.

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