

Bullet Swaging Business

One question that has come up over and over since I made my first set of swaging dies is: "Can a person make money swaging bullets?" Unfortunately there is no easy, simple answer to the question. To answer the question many other questions must first be answered.

Questions like what kind of bullets, how many bullets per day, where and how will they be sold, how will the business be promoted, how much time will be spent running the business, how much profit is expected, how much money will be invested, will there be employees or helpers, and perhaps the most important question, how quickly is a return on the investment expected?

Other questions that need to be answered include where will the work be done, will the swaging tools be in one building or room and the clerical in another or will everything be in one location, what licenses will be required, and will frequent delivery vehicles cause problems with neighbors and officials?

Undoubtedly there will be other questions to be answered before buying any bullet swaging tools or supplies. Do the leg-work first. Know as much as possible about what can be expected, what difficulties will be encountered, and how problems can be resolved.

Remember that making bullets for yourself and maybe for a friend or two can be an enjoyable way to spend an evening or two, off and on. Making the same bullets hour after hour and day after day will become work and while it may be satisfying work it likely will not be fun work. Making bullets will be a job like any other and like all businesses it will be just as possible to fail at it as to succeed.

Licenses

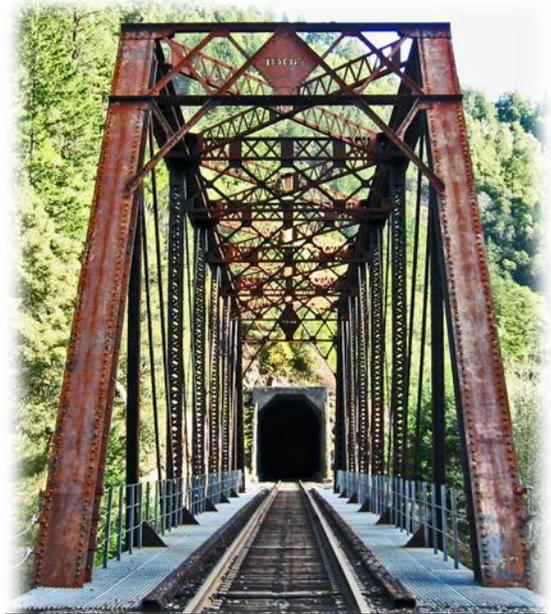
As with any business there will be a number of licenses that will be required. Some of these can be obtained after the business is in operation but some will be needed before any bullets can be sold.

An export license is required if bullets are to be sold out of the United States. There are special regulations that apply to military calibers and bullets and additional licenses and permits may be needed to export those products. In 1976 the International Traffic in Arms Regulations act was passed and the Department of State administers the act. The purpose of the act was to prevent unfriendly nations from obtaining US technology. As part of the act a United States Munitions (USML) was developed as well as the Commerce Control List (CCL). This is coupled with the Export Administration Regulations (EAR) and the Arms Export Control Act (AECA). These various rules and regulations are complex and beyond the scope of this article. It must also be noted that the regulations not only restrict what may be exported but also to whom the goods can be sent to. Shipping an electrical connector crimping pliers may be legal but shipping it to a blocked country could be a violation of the regulations.

As noted the purpose of all this is to prevent export of technology and/or products that could be of use to enemies of the United States. For the most part these items are purely military in nature but many civilian items can also be used by the military. A computer memory chip in a video game can also be part of a missile guidance system. Likewise a .224 hunting bullet could be used in a military rifle.

So the the export of small arms bullets (projectiles) intended for the civilian market would probably not be a restricted item, especially in small quantities, but there would still be the possibility that such bullets might be considered dual purpose and would fall under the provisions of the acts.

A number of small manufacturers of bullets do routinely export limited quantities of their products without an export license and have not had any problems. Whether these shipments are small enough to go unnoticed or whether the authorities recognize the sporting purpose of the bullets and allow the



Is small scale bullet making a black hole that will swallow all of your time and money or will there be gold at the end of the tunnel?

shipments is not known. When exporting bullets there are also be restrictions that may need to be dealt with in the country being shipped to.

In addition today there may be issues with the Department of Homeland Security that will need to be considered. Since 9-11 many things have changed and what might have been an innocent business venture could be viewed as something else.

My personal take on exporting bullets is that it probably isn't worth the hassle. If I were to attempt to export bullets I would want to find a contact in one country or geographic area who could act as a distributor for my products. The export rules and regs would still have to be considered but shipping to one person or business would be easier than to shipping to individuals.

Before any bullets can be sold commercially a Federal Firearms License (FFL) must be obtained. The license can be applied for online or by mail from the Alcohol, Tax, Firearms, & Explosives (ATFE) agency. There are several types of licenses. A Class 1 license will let the license holder deal in firearms, ammunition, bullets, and related items. If firearms or gunsmithing is to be done then the Class 1 license is required. This license will be the harder one to obtain, will cost more, and will subject the license applicant and license holder to much more scrutiny by the ATFE.

For most small bullet maker's a Class 6 license is all that is needed. This license permits the loading and sales of ammunition and bullets. If ammo is sold a record must be kept of the sales and the excise tax must be paid on those sales. Bullets, so far, are exempt from the record keeping and there is no excise tax on the sales.

Unless a person really needs the Class 1 license they should resist the temptation to get the "big" license and just get the minimum needed to satisfy Uncle Sam. Remember that no bullets may be sold commercially until the license is secured. Also remember that having a Federal Firearms License will allow the ATFE and other agencies to inspect the business whenever they wish to.

It is best to have everything related to the business in one location and that location is best if it is separate from the owner's home. If that is not possible having one room just for the business is the next best bet.

There are other licenses that may or may not be needed. If the business is within most city limits a city permit will probably be required. Some counties will also want to dip into your wallet in exchange for the county's blessing. States may also require a license of some sort. So what to do about all of the fees that need to be paid?

If the business is a "brick & mortar" establishment meaning that it is in the public eye, exposed to the various inspectors and code enforcement officers, then the only choice is to pay up and hope that the cost of the fees will be recovered in sales. Fees and licenses are a business deduction so part or all of the costs will be recovered when the taxes are filed. A good accountant is well worth the cost.

If a home business is in a garage, basement, or outbuilding then quite often the business operator will just not worry about the licenses and plug along until forced to comply. For most small businesses this may never happen. Still a business is a business regardless of the size and safest thing to do is to pay up but that is a decision each individual must make on his own.

Usually a business will have an assumed business name. If the business is owned by an individual as in a sole proprietorship the business name will have the name of the individual followed by the letters dba and then the name of the business. So the business would be Mr. Blank dba (doing business as) Super Bullets.

Many small businesses are now LLCs. An LLC is a Limited Liability Corporation. The LLC is somewhat less likely to be sued than a proprietorship in the event of a liability claim, real or not. It also is looked on a little more favorably than a proprietorship by the IRS but don't count on that keeping you out of trouble with the tax people. Having the LLC after your business name may convince some customers and suppliers that you are legitimate and here to stay which can help sales and make it a bit easier to set up open accounts with the suppliers.

The LLC comes with some extra cost and a bit more paperwork to fool with. Is it worth the extra cost and trouble? For a one person show working out of a basement or corner of a garage probably not.

If growth is planned and possibly employees, then maybe so. Like so many things it ends up being a matter of choice. As always talking with a good accountant and/or attorney is a smart move.

There are other types of corporations but for a small business they are seldom worth the cost to set up and the trouble to maintain. Being a full corporation has advantages but not for the small business as a rule. Should the business grow there will always be time to convert to a full corporation.

Attorneys and accountants are part of business. Finding a good law firm before you need it is always wise. The law firm can advise you about business decisions, set up your LLC if you want it, and do a number of other tasks for you.

A good accountant is a must and one should be found that you feel comfortable with as soon as you can. Accounting rules and regulations change often and keeping up with the latest changes is one of the things a good accountant does. The CPA can keep you advised on how the changes to the tax codes affect you, a tax return prepared by a CPA is less likely to be audited than one prepared by an individual, and the CPA can often talk with the IRS about an issue and resolve it without your being there. If an audit is held the CPA can represent you and wade through the legalese and double-talk to get to the truth.

Yes, you can do these things yourself. Yes, there are companies that promise low cost, supposedly easy ways to do things. Yes, you can get tax preparation software. But having an expert who really knows the ins & outs of things is invaluable and will keep you out of trouble. Not to mention that these professionals can advise you on things besides just your business.

Their fees are sometimes costly but that cost is a tax deduction that can be taken in the next year. In the end hiring these professionals to advise and guide you is well worth the cost.

Advertising

Once you have decided to take the plunge and make bullets as a part time or full time business you will need to find some way to sell the product. In the past magazine or other print ads were the only way to reach a potential buyer. These are still important but now a good web site is a must. It is also possible to reach new customers through press releases and by cultivating the support of a magazine writer.

At one time press releases were almost sure of being published. Magazines were hungry for new material but now the magazine editors are flooded with such information. A press release sent to a staff writer is more than likely to end up in a trash can than in a magazine. But it is possible to improve the odds.

A press release sent to a staff writer should be short, clear, and to the point. It should not have grammar or spelling errors. Write the release in such a way that it could be pasted into the magazine lay-up and printed with few changes. The less work the magazine staff has to do to ready the press release the more likely it will be printed. Equally important is that the product have something new, exciting, and interesting about it. What will make the reader want to read the article?

But realize that writers are buried with press releases from big to tiny businesses these days. Unless there is something clearly different, better, or remarkable about your product the press release will not likely see the light of day. Understand also that it could be months before your product is showcased. Magazines are prepared several months before they are on the news-stands. If you aren't prepared to wait you are probably in the wrong business.

Sometimes it is possible to find a staff writer who has similar interests as you do. If you can build a friendship or relationship with the writer it can pay off later on. Sometimes free samples, information, and maybe working with the writer to develop a bullet he wants can yield big returns later on. This can take months to years before it pays off but if you can get a writer in your corner it can be a big plus.

Magazine ads will reach about one-half of your potential customers. The other half will be on-line customers. Magazine ads are expensive. Take a good look at the magazines and ask yourself if the magazine reaches the people you need to reach. A magazine that has a million readers who are trap shooters would be a poor choice to use to sell rifle ammo through. A magazine that has a much smaller readership but is devoted to blackpower rifles would be a good choice to sell blackpowder bullets through. The cost of the magazine ad is based on how large the circulation of the magazine is. But if

only a small number of readers might be interested in what you make, the cost of the ad is much higher than for a magazine that reaches more people who are interested in your products.

Choose magazines to advertise in that are a good match to the products you sell. Be patient. It can take several months before an ad begins to work. People will see your ad and not act on it until they've seen your ads several times. Change the ads every few months to keep them fresh but create a logo that doesn't change and is easily recognized as you.

Advertising in small circulation magazines might also be effective. A state wide fish and game magazine might have a very small readership but it could also be a very active group of readers. Usually the cost is low in comparison to national magazines. Run a few ads. If they work great, if not pull the plug.

There are special magazines that are for certain markets such as a blackpowder shooters magazine, a .50 caliber magazine, handgun hunter's magazine, and so on. If one of these fits your product try an ad or two in it.

Magazine ads are strange things that don't always produce results right away. Sometimes an ad can be months to years old, then someone sees it and acts on it. Don't expect the orders to pour in because you've placed a few ads. You are building a base and working towards tomorrow.

Web Sites

In the old days, before computers, the only way to reach potential customers would be through printed advertising and word of mouth. This was costly and required placing ads in several different magazines, papers, and periodicals.

Now everyone has a computer and everyone is on the Internet, or so we are told. The truth is that not everyone has a computer and of those who do, not all use the Net. This presents some interesting problems for an advertiser.

Print ads cannot be totally ignored but at the same time a web site is essential. I estimate that about one-half of my sales come from my web site. The other half are from ads and word of mouth. A business cannot hope to reach as many potential sales as possible without using both types of media. However the use of computers makes it possible to be more selective as to the type of print ads used and as to what magazines are used. A more narrowly focused magazine can be a better and often less costly choice as the web site will draw in customers from all types of shooting disciplines.

The web site can be used as a broad reaching tool to generate sales while magazines can be used to pin-point selected markets.

But the big problem with web sites is that there is no end to them. Not that long ago a person could simply whack together a half-way decent site using simple and cheap software. The site would be like a campfire in the woods on a dark night. Kind of hard to miss. But today there is such an incredible abundance of sites it is all campfires and no woods. Your site must be special in order to stand out and be effective.

Web sites can be selling tools, informational only, or a combination of both. If the site is to sell products an online shopping cart is required. If you have a shopping cart you will need to accept charge cards. Many sales will be impulse buys. Someone will see something on your site and want to buy it right then and there. If you can't complete the sale easily and promptly you'll likely lose that sale.

There is no question that almost anyone can build a web site. But not many can make a really good site that will be rated well by the search engines. There are various computer programs that look at web sites and then rate them as to how well the site is designed. The higher the rating the more likely the site will be to be listed on the first page of the listings. If the site isn't on the first page then it is less likely to be found by someone looking for the products you make.

It is possible to buy your site a high rating but that's expensive and isn't necessary if the site is designed well. The best thing to do is to do some research and find a site designer who can build the site for you. It will not be inexpensive but it will usually produce much better results than doing it yourself. The web site designer knows the secrets and tricks to make a site work.

Quite often you will find that one designer knows the technical end of site design but another designer knows how to make a site sell. Finding a designer who does both well can be difficult but they are out there. If you are willing to put in some time you can work with the designer to develop the site. Chances are that they will not know much about what you do. You will need to work closely with the designer on the layout and content of the site.

The home page is the first page a customer or search engine will visit. This page will need to be loaded with key words and phrases that someone might use to find your products. In fact the first paragraph on the home page should be loaded with key words. But beware, if the key words are just stuffed in for the only purpose of getting as many in as possible the search engines will realize that and lower or reject your site. So the thing to do is to write the home page using as many likely key words as possible but do it as if you are talking to someone. Work the key words in but in a way that makes sense and is conversational.

Most designers will use some sort of software that will allow you to modify and add to your site as wanted. This works well but can sometimes be a little tedious. A better system, if it can be found, is to use what is called an Intranet system. With this system the designer builds a framework for you and then you can add pages, delete things, modify the site as much as you want so long as you stay within the framework. It is the system that I use and after trying a number of other systems I like it the best.

The Intranet system does require you to learn a little HTML code but it is simple although tedious to use. It will save you a good deal of money in the long run as you can do the updates and changes yourself rather than having a programmer do the work. With this system there is no extra software to learn or fool around with. The work can be done using a word processor and then uploaded to the site or the changes can be made directly on the site.

You will need to have your own domain name. This is critical. Most people will start out using a provider such as AOL, Earthlink, Juno, or so on. The end of their address will end with one of the provider names. An example might be: joe@hotmail.com. This is OK when you are just piddling around but it is not good for a business. Should the provider go out of business or should you want to change providers you will lose your address. Your customers will not be able to easily find you again.

What you need is an address that travels with you. The address ending must be your domain name. An example could be: joe@brassbullets.com. In this case the web site address would be www.brassbullets.com. Your email address and your web site address both use the same domain name and that name is yours until you close up shop or fail to renew the domain.

Once you have a domain name protect it and never fail to renew it. The cost is small. Domain renewal can be yearly or every so many years depending on what you choose. Usually, but not always, the longer renewal periods will be discounted some. But never fail to renew on time. There are computer programs that do nothing but search for domains that have not been renewed and then capture them. If you want your domain name back you will have to buy it from the company that now owns it. Not a good thing.

The site designer can help select a domain name provider. Go Daddy and Verisign are just two such providers. When you set up your site be sure that you are listed as the site administrator (site admin). If someone else is the site admin then you don't own the site even though you paid for it. This can be big trouble if you want to change providers. The designer can be and usually is the site technical contact but you must be the admin. As the site administrator you will occasionally receive messages that will require action. You might receive a notice that the domain name is due for renewal. You can deal with it yourself but usually you will notify the site designer and they will do whatever needs to be done.

Before designing a site spend some time on the Internet looking at competitor's sites and other sites. Determine what you like and don't like about various sites and then discuss that with your designer. Some features may be too complex for your site but some would be worth putting on your site.

I like to keep web sites dirt simple. The easier the site is to use and get around in the more likely someone will spend time looking at it. If a site makes a customer work to find the information wanted they will just go somewhere else. Remember to try to put yourself in the customers place. It may make sense and seem simple to you but does it work for the customer? If someone who knows less than you

about bullets is looking for something, can they find it quickly and easily? Not everyone is a computer expert and most customers want to find a certain item, buy it, and move on. The easier your site is to use the more you will sell.

Sites will have navigation buttons or menu buttons that, when clicked on, will open pages having to do with the product the button is about. As a general sort of thing have a few navigation buttons, then a space, and then a few more. If you have a number of buttons without spaces the viewer will be overwhelmed and you'll lose him. One good way to handle this problem is to use sub-menus.

A menu button might be "Handgun Performance Bullets". Clicking on this main menu button will then open a sub menu that could have a list of additional choices such as "Revolver Bullets", "Autoloader Bullets", "Single Shot Bullets". Someone wanting bullets for his 1911A1 would go to the main menu button and then to "Autoloader Bullets" and not spend time digging around in the site to get to where they want to be. If the customer has to spend too much time trying to find what he wants he will go somewhere else. Remember the old term, KISS, Keep It Simple, Salesman.

One more thing to do to keep the site listed well and to draw in potential sales is to have an information page. Highlight one of your products on this page. Go into detail about how to load the bullet, what kind of performance can be expected, show penetration/expansion tests, provide some detailed info that isn't in the rest of your site.

This page could also be used to list sales or promotional items. It could be used to list local or statewide shoots or events. People would come to your site to keep up with what is going on and maybe spend some time looking at your products.

Many web sites have a blog built into them and you can use that to bring people to your site. Blogs can be of questionable value but you can direct the content and use it to promote your products without appearing to be doing so.

Your site can and should be used to inform but mainly it is to sell your products. To do this a shopping cart is needed. There are any number of ways to set this up and your site designer can help you find one that is right for you. As always try to keep it simple.

Usually there will be one page that lists all of the various categories of products. Clicking on a category button will open a sub menu of items in that category. Clicking on an individual product button will open a page about that item and give details such as prices, shipping cost, discounts, and so on.

There will be an "Add to Cart" button on the page that lets the customer purchase the item. Usually there will be links that return the customer to the main menu or to a sub-menu. If the customer purchases an item there should be a "Continue Shopping" button and a "Check Out" button. Clicking on the "Check Out" button will take the customer to a payment page where he can supply shipping directions and charge card details. This page and/or web site must have some sort of secure encryption to prevent the information from being used by others. There are several companies that provide the service. The site designer will select one for you or if you like you can choose one. The service is not expensive but is required.

Occasionally it might happen that someone will go to your site and get a message that states that the site certification is invalid or in error. Usually this just means that a search engine does not recognize the service that you are using. The site is probably secure but this can scare customers as they may think that they are at risk going to your site. If this happens your site designer can resolve the problem for you.

In order for a shopping cart to be of much use you will need to accept charge cards. There are a number of different cards in use but VISA and Master Card will be the two that you really must have. Get the others if you want but they aren't necessary. Almost anyone who has one of the other cards will also have a VISA or Master Card.

Your bank can provide the card processing service but I would suggest looking into an outfit by the name of Elavon. Go to Costco Stores and pick up the information that they have there on Elavon. You can also go to the Elavon web site if you want. What I like about them is that their rates are not

unreasonable and the service is web based. You can do the work on your PC and don't have to buy or rent a card reader. That will save some money.

But there are other companies that process cards so take some time and look around. Find the deal that works best for you. You can also use PayPal if you want. Their rates are higher than many others and they will be of little help if there is a charge-back against you. I would not use PayPal but that's just me.

Funding the Business

Bullet making on a small scale can be done with very little investment. For less than ten grand you can be your own boss and quite often the initial start-up cost will be even less.

Usually the money for equipment will come from savings, from a nice tax refund, or maybe the gear will be paid for using a charge card. The charge card is OK as a payment method but as always beware of using charge accounts to make yourself a loan. Don't let the charges pile up and don't make minimum payments. Only charge what you can afford to pay off each month. It is old advice but good advice.

Sometimes an individual or group will form a loose alliance with the idea of being investors in the bullet making business. Once in a great while this will work out OK for everyone but more often it won't. Usually the folks who were excited about owning a piece of the business will want to pull out long before the business is making any money and can support itself. This is a sure way to kill the business before it has a chance to become established. Investors usually want a quick return on their money and won't want to wait.

If you want to use investors to fund the venture be sure to use a good attorney to set up an agreement between the investors and yourself. Set the terms before you collect a dime of anyone else's money. Make sure everyone understands that it will take a few years before the business is ready to begin to repay the investors. Be realistic about how long it will take for the business to begin to show a profit and be realistic about how much profit there will be. Do the math first and then see if anyone wants on board.

Also be cautious about having partners. If you have a partner will that person take an active part in the business? Will you be doing all of the work and the partner hoping for an easy living? If your partner is involved in the business do you both have the same ideas and vision as to what the business should do and where it should go? Sometimes having a partner who will do some of the work while you do the rest will work. A partner who is good at bookkeeping and paper work while you handle the shop can work well.

Beware of having family members involved in the business. Often having a family member as a partner can be the kiss of death for the business and the family relationship. Telling your brother-in-law that he is dumb as a brick and you have to fire him will not improve the relationship and can cause lifelong resentments. Sometimes family businesses work but things have to be carefully spelled out from the start and everyone has to know that business and family are separate.

We are almost ready to make bullets. But remember that things that are done for fun usually are not things that pay the bills. Making a few bullets for yourself now and then is fun. Making bullets as a side business or as a full time business becomes work. You will need to have set business hours, there will be bills to pay, interruptions, problems, grumpy customers, more problems, and a good part of your time will be spent on paper-work, dealing with clerical matters, and running errands. If you have a partner or helper that will free you to make bullets but if the help is paid that means taxes and more paper-work.

Be realistic about how much profit you are likely to make. Small scale bullet making equipment is all hand operated. High speed production equipment is very costly and will normally require a commercial location as well as electrical power not available in most home locations. Consider all of the costs to make and sell bullets.

It is pretty easy to figure out the cost of lead cores, bullet jackets, swaging lube, and other components but don't forget the other costs. Advertising, heat & lighting, shipping boxes, labels, web

site costs, fees and licenses, tooling costs, replacement parts, consumable supplies, and so on. All of the little things that make it possible to run the business need to be added into the cost of the business. All of these things subtract from the potential profit, making it probably much less than expected. You should itemize your expenses for tax purposes and keep very good, detailed records.

Making money by producing bullets is possible but it is not a get rich plan. It will be work, it will take time, and there are any number of ways to make more money than bullet making. Most small business owners value the independence and freedom of being their own boss more than they do the money that the business might create. If you are going to do it for the money you'd be better off writing software for video games.

But there is a bright spot in this and that is many things that you'd normally have or use are tax deductions for the business. That new rifle you've been craving can be deductible as you need it to test the bullets you make. Powder, primers, and other reloading supplies and tools are deductible. The fees and travel expenses from going to a shooting competition are deductible as that's one way to promote and advertise your products. Going to a trade show like the SHOT Show is deductible.

You can deduct part or maybe all of your vehicle expenses. If the business is home based part of the property tax you pay is deductible. Part of a home mortgage is deductible as well as some of the electric or other utilities. So part of your income from the business is from being able to reduce your tax bite and being able to purchase items that are business related but that you'd buy for yourself anyway.

There are traps that you must avoid and a good accountant is an absolute must have. Forget the tax prep software programs, bite the bullet (so to speak), and hire a pro. Remember that professional services are also deductible.

Making Bullets

At long last we are ready to make bullets. Now the question is what to make and how to make it.

As a general sort of thing it will not be possible for a home bullet business to compete with the big companies. They have machinery that can spit out thousands of bullets each hour, they can buy materials in large quantities to get discounts not available to you, and they have an advertising budget you could retire on.

If you want to make a common off-the-shelf bullet such as a 52 grain .224 flat base, open tip you will have a hard time making any money at it. But if you make a precision rebated boattail 85 grain open tip .224 bullet that has a 12S spitzer ogive that could open a niche market to you. And that is what is usually needed. The home bullet maker needs to find and develop a niche market. A market that will allow higher prices than store bought bullets but a market that doesn't require thousands of bullets to be made each day.

Do some research, ask fellow shooters what they want, pester the guys down at the gun stores to find out what is selling or what people ask for. Get a few firearms magazine and look at the ads in them.

Maybe making extremely heavy long range rifle target bullets will be the thing. Perhaps there is a demand for a special bullet for high performance revolvers. As the worn out saying goes, "Think outside of the box".

Be flexible and be ready to change your product line as customers wants change. Today's super caliber could easily be forgotten tomorrow. Keep up on the trends and be ready to produce bullets to meet the changing desires of the shooting public.

For small caliber bullets a hand operated press will be adequate and in some cases better than a powered press. If larger calibers or more demanding work will be done then one of the various hydraulic presses will be needed. Understand that the hydraulic presses on the market as of this time may have an auto-cycle feature but this does not change the fact that the bullets must be placed into the forming dies and taken out by hand. The auto feature does not mean that the press is fully automated. It does make a few jobs easier and faster but the production rate of most hydraulic presses will still be around four thousand bullets per day, if that bullet can be made in one operation. If it takes three or four steps to make the bullet production will be considerably reduced.

When figuring out production rates also remember that things like cutting lead cores or casting them, cleaning parts, sorting bullets, boxing the bullets, and so on all take time. The production rate for making bullets must also consider all of the non-swaging tasks.

When you have a good idea as to how many bullet you can make you will need to set a price for those bullets. It is important to decide before you sell any bullet how you will sell them. Will you only sell to end users, will you try to sell through a distributor, or will you want to sell to dealers and bypass the distributor?

If you only want to sell to the end user you will only need to know your cost for the bullet and what the buyer will be charged. But what if your bullets really take off and dealers want to stock some of them? Now you will have to stick in a dealer price. You'll have to raise the end user cost to put in a dealer price or take less profit in the hopes of selling more bullets. But then what if a distributor wants in on the action? Now you will have to add one more price level and once again have to raise the dealer and end user costs or take even less profit.

If you think that there is any chance you can supply a distributor/dealer/end user chain then set your pricing accordingly right from the start. If you don't ever want to sell to distributors and/or dealers than only the end user price is needed.

There are a number of small to medium sized bullet making businesses that are doing well. Most have spent a few years getting to where they feel that it is worth it and are making some money at it. There is still room for another bullet business but go into it for the independence of having your own business, don't expect to get rich at it, and know that it will be work like any other business.