

Why disinfectant wipes aren't returning as fast as toilet paper

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While toilet paper has mostly returned to the shelves since the panic buying of the early pandemic days in March, disinfectant wipes are still in short supply.

Just last week, CNBC's "[Mad Money](#)" host Jim Cramer complained on [Twitter](#) about not being able to find Lysol products in New York. Demand for both toilet paper and cleaning products remain high, but what can explain the discrepancy in their levels of returning supply?

Toilet paper doesn't face a raw material shortage

Though shoppers were emptying shelves of toilet paper in the early days of the pandemic, increasing supply was a relatively straightforward process. By April, [Procter & Gamble's](#) Mehoopany, Pennsylvania paper division plant was "making record amounts of Charmin and Bounty, more than we've ever made in the history of P&G," said Jose de los Rios, the site's environmental leader. The Mehoopany plant, which covers nearly 2 million square feet, is P&G's largest facility in the U.S. and serves approximately half of the U.S. population, focusing mostly in the Northeast.

The Mehoopany plant did not face raw material constraints because the company gets most of its pulp from North America and Latin America. Furthermore, the rise in demand for tissue was balanced out by the drop in demand for other pulp-derived products, such as office paper, due to widespread work-from-home policies.

Jose de los Rios inspecting Charmin products at a Procter & Gamble plant.

Courtesy of Procter & Gamble.

While P&G was able to increase its paper production, doing so wasn't as easy as simply adding more paper machines. Although the existing machines already ran at close to 100% production rate, according to de los Rios, buying new machines was not a viable solution. These are extremely expensive investments of \$250 million or more, and the process from ordering to getting the correct environmental permits to finally starting up production can take two years.

Instead, P&G has optimized its existing machines by reducing planned downtime events and changeovers. It has also been "streamlining" its lineup to focus on the products that customers most want, according to Rick McLeod, vice president of product supply for P&G Family Care. McLeod also said he believes the industry will get more efficient in the long term because of these changes.

Demand for products like Bounty and Charmin remains "continuously" high, according to McLeod. But the subsiding of toilet paper complaints suggests companies like P&G have been able to respond satisfactorily.

The return of disinfectants will be a 'much longer road'

By contrast, consumers are still complaining about a lack of disinfectants, especially disinfectant wipes.

Producers are ramping up supplies, but it still may not be enough. In May 2020, [Clorox](#) chairman and CEO Benno Dorrer [said](#) the company had increased its production of disinfectant products by 40%, but demand of some disinfectants had risen 500%. Lysol's revenue was up over 50% in the first quarter of 2020, but its parent company [Reckitt Benckiser](#) continued to ramp up production to meet the high demand.

The gap exists for smaller players in the industry too. Seventh Generation, a leading manufacturer in green cleaning and hygiene products, has already delivered 63% more product in the first half of 2020 than in 2019, but demand spiked 300-400%, according to senior director of the supply chain Jim Barch.

Seventh Generation's disinfecting wipes.

Screenshot from CNBC Documentaries, "Supermarket Shock: Crisis in America's Food Supply."

"The biggest snags in the supply chain have really been in disinfectant wipes," said Barch.

That's because of competition with personal protective equipment (PPE), according to Barch. The polyester spunlace Seventh Generation uses in its wipes are also used for PPE such as masks, medical gowns and medical wipes. The raw material shortage is also a global problem because many other countries are racing to produce PPE.

Because the plant-based technology Seventh Generation uses in its disinfectant wipes is an EPA-registered product, the company cannot turn to alternatives immediately. Instead, it is mainly focusing on increasing capacity within its existing framework, according to Barch. For example, the company is being more flexible with certain packaging requirements such as cap colors and canister capacities so that it can release more product.

Not all disinfectant products face the same issues. Barch said Seventh Generation has increased capacity for aerosol sprays by 400% to 500% by adding extra shifts with third-party manufacturers and qualifying more secondary sources for production. In liquid laundry, hand and dish soap and feminine care products, the company has either been able to return to high levels of servicing already or plans to by the early fall.

In contrast, Barch predicted the return of disinfectant wipes will be a "much longer road for us... we really feel that one might take us into 2021."

Manufacturers of both tissue and disinfectant products are also monitoring the coronavirus. There are a "lot of eyes on Q4," said Barch, as companies try to forecast whether there will be future waves of Covid-19 that force additional lockdowns and spur consumers to load up again. But besides continuing to keep producing, there isn't much else these manufacturers can do.

Looking even further ahead, manufacturers say the high demand for cleaning products will signal long term shifts in consumer behavior. Barch of Seventh Generation said he thinks people's use of disinfectants will last even after a vaccine is hopefully created.

"If ever anyone had a doubt that the products we make are essential for people to feel comfortable in their homes," McLeod said, "I think that question's been answered."

To follow more of Procter & Gamble and Seventh Generation's stories, watch CNBC Documentaries' ["Supermarket Shock: Crisis in America's Food Supply."](#)