

## Restaurants See Signs of Spring

*Customers are coming back, suppliers have lowered prices and it's the best wild mushroom season in years.*

By **KATY MCLAUGHLIN**



Kunkel for The Wall Street Journal

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### *Shoots of optimism are emerging in the high-end restaurant world.*

Expense-account spending is trickling back and consumers are starting to shell out for luxuries again. Prices for some specialty ingredients have come down. And good weather conditions in many parts of the country are making for the best crop in years of wild mushrooms, strawberries and asparagus.

The combination is cheering restaurateurs, who are rolling out festive baby-lamb roasts, multicourse shad dinners and dishes laden with wild mushrooms to celebrate the season. For chefs, it's a welcome change from last spring, when many restaurants weathered the worst of the economic storm by promoting discounts, comfort food, cheaper drinks and bar snacks.

"Last year we were in freefall at this time of year. Now we're in recovery," says Daniel Scherotter, chef and owner of Palio d'Asti, in San Francisco's financial district. Last March, when the Dow hovered around 7000, Mr. Scherotter says he saw a dramatic drop in customer count and spending. Today, sales are up 30%, with more orders for veal, baby lamb and high-end wine, Mr. Scherotter says.

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Like the economic recovery overall, the restaurant rebound is spotty and uncertain. The Austin, Texas, restaurant Olivia says sales are up 25% over the first quarter last year; Lantern in Chapel Hill, N.C., is up 2% and Savoy in New York is up 15%. Many restaurants say their stronger first quarters this year are back to 2008 sales levels. High-end chains, a category consisting mainly of upscale steakhouses, saw a 17% sales decline in 2009, according to Technomic, a Chicago restaurant consultant, and will probably see a 1% to 3% decline this year, mostly because discounting cuts into sales although traffic is up. Restaurateurs and analysts say that more people are visiting high-end restaurants, though they are spending conservatively.

In some parts of the country, nature is lending a hand to chefs. On the West Coast and particularly in California, lots of rain this winter has yielded a huge wild-mushroom crop and an early harvest of other spring favorites, from fava beans to English peas. The bounty means chefs can afford to be generous with special items without raising prices.

Oregon Mushrooms, which ships wild mushrooms to restaurants around the country, says it is selling morels, a wild mushroom harvested in the spring, for \$20 a pound wholesale, compared with \$33 a pound last year. Restaurateurs in California, where spring hits first, are paying even less. At Oliveto in Oakland, Calif., chef Paul Canales says for the first time in his career he paid \$12.50 a pound for morels—half the typical price. Professional foragers stop by the restaurant offering wares they collect from Northern California forests, Ms. Canales says.

"We've had a few really bad years of spring," Mr. Canales says. "This one is going to be amazing." Oliveto has been getting local asparagus all month—"typically you don't see that until April," Mr. Canales says.

Cal Peternell, chef at the Café at Chez Panisse in Berkeley, which saw a 5% sales decline last year, says the low price of morels means he can pile them onto pizza and over pasta without charging extra.

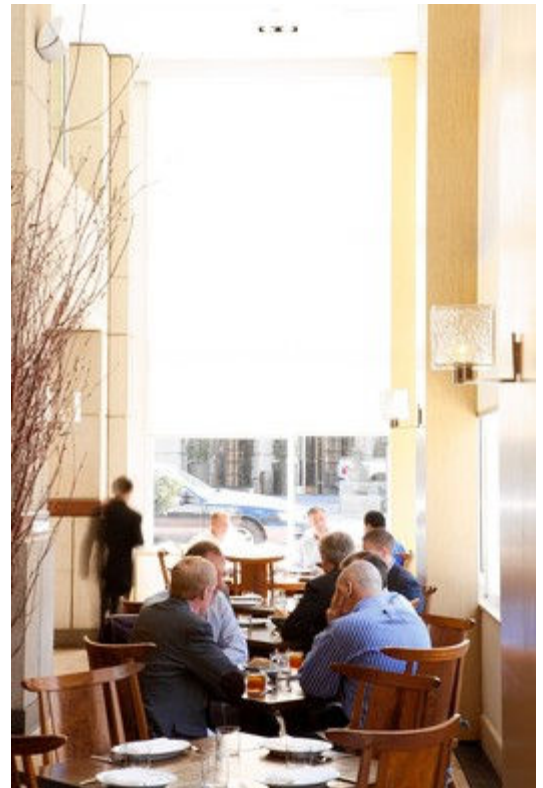
Suppliers have also been cutting prices on some high-end meats. Blue Duck Tavern in Washington is charging \$28 for an herb-crusted roasted rack of lamb that last year went for \$35. The reason the restaurant can charge less: Executive chef Brian McBride is paying \$5 a pound for rack of lamb from boutique supplier Elysian Fields—about 35% less than he paid last year. His restaurant is starting to see an uptick in business. Last weekend brought in \$10,000 more than the same weekend a year ago, says Mr. McBride.

Ron Blunt for The Wall Street Journal

Blue Duck Tavern in Washington.

Keith Martin of Elysian Fields says a steep drop-off in sales meant that he spent the last year growing his client list by 40% and carefully pricing each cut of meat in order to satisfy price-conscious restaurateurs. Two years ago he barely had to market his product at all, Mr. Martin says. His partner, the celebrity chef Thomas Keller, helped promote the brand and restaurants simply called and bought up all the meat available.

It is still too soon to tell how the spring harvest will shape up in the Midwest and on the East Coast, though many of the



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most widely available spring vegetables come from California. California grows nearly 75% of all the asparagus produced in the U.S., for instance. California asparagus began appearing in supermarkets this week. Though it is similar to the asparagus available off-season from Mexico and Peru, asparagus quality is largely a matter of how quickly it gets from the farm to the table, says San Francisco chef Melissa Perello of Frances restaurant, which can mean a local supply is superior.

Even without knowing how harvests will play out nationwide, some chefs say they feel confident enough to hold spring events that they canceled last year. Savoy in New York scrapped its annual shad feast last year, facing a 15% sales decline. This year, chef Peter Hoffman is planning a four-course dinner, priced around \$95, that will feature shad, an East Coast fish with a brief spring season. He will serve shad with bacon, roasted in the restaurant's fireplace, and a shad roe appetizer over whatever local greens look best, he says.

The recession has forced some farms to find more affordable ways to supply local produce. The Chef's Garden, an Ohio farm that specializes in microgreens and specialty vegetables grown for restaurants, says in the first quarter of 2009 it had a 25% to 30% sales drop. To create more affordable products for its struggling restaurant clients, the farm began growing carrots that are 50% larger than its "baby" size, which incur high labor costs. The baby variety, depending on the color and variety, costs restaurants between \$6 and \$9 a pound. The new size, which wholesales for \$3.75 to \$4.50 a pound, was so successful that the farm began a similar program for lettuces. This doesn't mean the death of that symbol of 1990s restaurant finery—the minuscule vegetable—because tiny vegetables are still for sale. But it indicates new thinking about how to sell restaurants premium vegetables that they can afford, says Chef's Garden farmer Lee Jones.

James Holmes, chef and owner of Olivia in Austin, has found another way to cut costs. He buys much of the restaurant's meats and vegetables from local farmers and ranchers. A year ago, he decided to convert the restaurant's green space—which Mr. Holmes says was a municipal requirement when he developed the property in 2007—into a kitchen garden. The garden now pays for itself, Mr. Holmes says. "We just clipped 10 gallons worth of spinach and it is so good," he says.

For all the emphasis on seasonal produce, not every diner prefers the first fruits of spring. Spring in many East Coast cities is heralded by the appearance of ramps, or wild leeks, on the menu. Ramps are usually the first wild food to be harvested by foragers out of the forest, followed by morels, fiddlehead ferns (small, unfurled edible ferns, whose green beans-meets-asparagus flavor is a love-it-or-hate-it proposition) and nettles. While ramps have become in recent years a way for restaurants to indicate they are hip to the local, seasonal trend, their strong, garlicky, raw-onion flavor can be a turnoff for some diners.

"I think way more people talk about them than willingly eat them," says Andrea Reusing, chef and owner of Lantern in Chapel Hill, which features local ingredients in Asian preparations. "Ramps can be pretty pervasive and lingering."