- **[Introduction]**
  Ladies and Gentlemen, we have just heard the general framework on digitisation. You will realise that digitisation is not something we do in different parts of the Commission without connections between the different silo's. Whatever is done in DG CONNECT can be very relevant for you as well and vice versa.

  I will now go into more detail on what this digitisation agenda means for agriculture and rural development and our work in particular.

- **[What is digitisation?]**
  First of all, I want to come back to the definition of digitisation. Digitisation is the turning of any object, image, sound, document etc. into digital information, a series of numbers. This makes it possible to combine and use information in completely new ways.

  In the agriculture sector it is expected that digitisation will create brand new opportunities -new products, new services, and new business- but also that it will help to solve existing problems of productivity and sustainability. The use of new digital techniques should make it possible to have less pollution, a better use of inputs, more transparency in the food chain, etc.

  The idea that digitisation can lead to major improvements and new opportunities in the agriculture sector is commonly held. However, we somehow do not seem to be able to reach this golden future. So what is holding us back?

  Following the work by the EIP network, we had a dedicated focus group and seminar; it seems there are three main reasons why digitisation is not being implemented as quickly as we would like to see it.

  As with any new techniques there is a risk issues. Will the new technique really bring a return on investment? It is only normal that

there are hesitations to invest, certainly in a time when agricultural prices are under pressure anyway.

Secondly, it is assumed that digitisation will result in new business models. New companies will come and offer their products and services. A company selling data collected by drones is an example, a tractor producer selling software for farm management is another. There are hundreds of small enterprises, in particular software providers, which struggle to get attention for their offer. Think about the possibilities for our rural areas if we can attract all these new businesses. Think about what it may bring in terms of jobs and growth. There may be a new google among these new companies but we risk losing them unless we can help them in their first steps. There is a need for business development.

Finally, there is the reluctance of farmers but also of food companies to share and exchange data when they do not know what will happen to these data. There is a fear of giving away the key to your farm by giving access to your farm data. This issue may be the most difficult one to deal with.

These are the three biggest stumbling blocks that hold back the roll out of digital technologies in agriculture. Before I will depict our first ideas to address these issues I would like to stress that the stumbling blocks are not of a technical nature. It is certain that we can improve on currently existing techniques but that is not the issue. Digitisation is held back mainly by economic and organisational challenges.

- **How to address the three challenges and what is the role for the rural development networks?**

Remember, we identified three big challenges: risk, the creation of the right business development conditions, and the issue of data

ownership and access to data.

- **Risk**

New ideas and new technologies may seem a good idea but you need to see how they work in practice to know whether they are really delivering. The EU takes over a part of the risk inherent to any new ideas in two ways: via research projects and via EIP operational groups.

Regarding the programming of EIP projects by the Member States in the Rural Development Programmes * have programmed more than 3000 operational groups. * We now have information on the first 200 projects that have started. If current trends continue we will have 1 in every 10 projects on precision farming which would mean we would have 300 projects on precision farming all over Europe. As said, we are still in the early days but this is promising. * To avoid that these projects will result in isolated knowledge, we will try to network experiences of these operational groups in a big event hosted by our Portuguese colleagues. *

* Research projects also allow you to develop knowledge without taking the risk yourselves. In this context the big scale internet of things pilot will * accelerate innovation by companies and communities of developers, building on existing open service platforms, such as FIWARE.

- **Business development**

You have heard my colleague from DG CONNECT on the Digital Innovation Hubs (DIH). The idea is to create "many-to-many" connections between competence centres, industry users and suppliers, technology experts and investors and facilitating access to EU-wide markets. Networking these DIH across Europe would create a one stop-shop to the latest digital technologies accessible for any business. In

those regions the European Structural and Investment Funds and the European Fund for Strategic investment (EFSI) and more specifically its SME window could be used to support DIH.

- **Another policy initiative** coming from a different angle may be highly relevant as well. You may know that the EU Structural and Investment funds (the ESI funds such as the Regional Fund but also the Rural Development Fund) asked all EU regions to draft a Smart Specialisation Strategy that was meant to guide their investments, particularly in the area of innovation.

  When comparing these strategies it appeared that there are a number of regions that have the same interests, for instance in data use in agriculture. Some regions, with a bit of support from the Commission, try to set up an **Agro-Food platform** to stimulate investments in projects in different regions at the same time with the idea to create a network of regions that have a common interest and that can work together in stimulating a specific sector. This platform will be launched in Florence on 6 and 7 December and will be operational next year.

  In our own policy area we have quite some experience with business development and we want to continue work with the rural development networks in this area. The ENRD network has started working on "Smart and competitive rural areas". Specific work on "Smart villages" is likely to start next year. In the EIP context we are thinking of organising a big event bringing together start-ups, investors and other players in the digitisation field to give a boost to the many new businesses.

  Digitisation will give a boost to what is – in my eyes – the core of rural development.

- **Access to data / data ownership**

  If the issue of access to data and data ownership is not clarified, farmers and food companies will not trust the new tools and the promise of digitisation will not be realised. It is clear that the local farmer, the local entrepreneur should have the final say on who has access to his or her data. Some solutions for this issue seem to be emerging and in the EIP context we are thinking about a dedicated event to discuss this issue next year.

- **Conclusion**

  Digitisation brings along some new questions we have to address. However, the main thing for us is that digitisation will bring possibilities for all the old issues we have been dealing with in rural development. It is an opportunity we should make use of. I am sure we will be discussing digitisation in many different meetings in the future.