

$$\begin{aligned}
 * \text{cov}(u_i, \bar{y}_i) &= \text{cov}(u_i, \mu + \frac{1}{2}u_i + \frac{1}{k} \sum_{j=1}^k \frac{1}{2}u_{dj} + \frac{1}{k} \sum_{j=1}^k w_j) \\
 &\quad + \frac{1}{k} \sum_{j=1}^k e_j) \\
 &= \underbrace{\text{cov}(u_i, \mu)}_{=0} + \text{cov}(u_i, \frac{1}{2}u_i) + \text{cov}(u_i, \frac{1}{k} \sum_{j=1}^k \frac{1}{2}u_{dj}) + \underbrace{\text{cov}(u_i, \frac{1}{k} \sum_{j=1}^k w_j)}_{=0} \\
 &\quad + \underbrace{\text{cov}(u_i, \frac{1}{k} \sum_{j=1}^k e_j)}_{=0}
 \end{aligned}$$

values
 $\frac{1}{k} \sum_{j=1}^k \frac{1}{2}u_{dj}$
 $\frac{1}{k} \sum_{j=1}^k w_j$

Assume that
 sire i and
 dams d_j are
 unrelated

$$- \frac{1}{2} \text{cov}(u_i, u_i) = -\frac{1}{2} \text{var}(u_i) = -\frac{1}{2} \sigma_u^2$$

$$\Rightarrow \text{cov}(u_i, u_{dj}) = 0$$

$$\begin{aligned}
 * \text{var}(\bar{y}_i) : \text{ using } \bar{y}_i &= \mu + \frac{1}{2}u_i + \frac{1}{k} \sum_{j=1}^k \frac{1}{2}u_{dj} + \frac{1}{k} \sum_{j=1}^k w_j + \\
 &\quad + \frac{1}{k} \sum_{j=1}^k e_j
 \end{aligned}$$

permanent
for sire i

$$\text{var}(\bar{y}_i) = \text{var}\left(\frac{1}{2}u_i\right) + \text{var}\left(\frac{1}{k} \sum_{j=1}^k \frac{1}{2}u_{dj}\right) + \text{var}\left(\frac{1}{k} \sum_{j=1}^k w_j\right) + \text{var}\left(\frac{1}{k} \sum_{j=1}^k e_j\right)$$

For a given sire i :

permanent part: $\text{var}\left(\frac{1}{2}u_i\right)$
 across all daughters