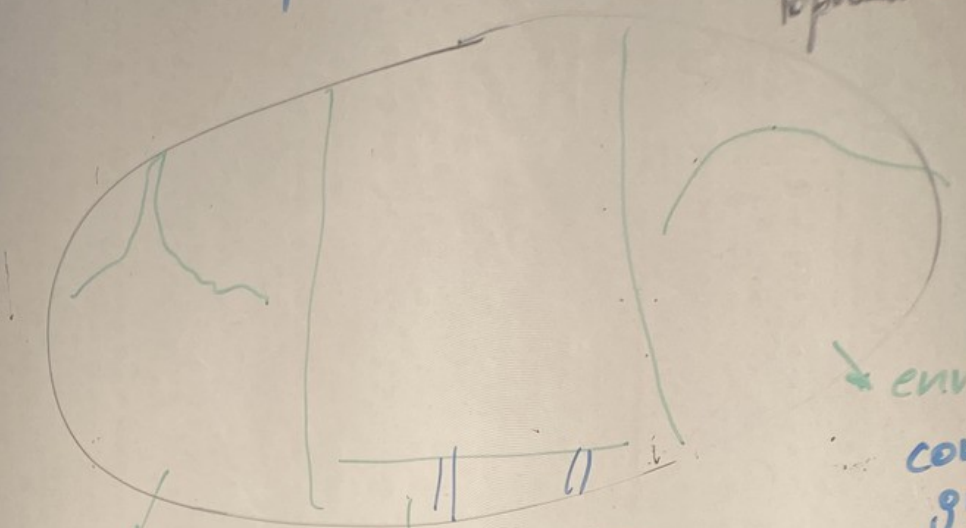
□ Aim: To find μ such that it is correcting in an optimal way for the environment.

⇒ Form comparison groups that are representative for the environmental conditions.



$$\bar{y}_{CG1} = \mu_1 + \bar{u}_{CG1} + \bar{e}_{CG1}$$

$$\Rightarrow \bar{y}_{CG1} = \mu_1$$

$$\bar{u}_{CG1} = 0$$

$$e_{CG1} = 0$$

if $\bar{u}_{CG_i} \neq 0$

$$I^* = \hat{u}_i^* = b\left(y_i - (\mu_i + \bar{u}_{CG_i})\right)$$

$$= b(y_i - \mu_i) - b\,\bar{u}_{CG_i}$$

$$= \hat{u}_i - b\,\bar{u}_{CG_i}$$

Bias