



Business Funding Models

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August 2020



THE GLOBAL STANDARD
FOR LIVESTOCK DATA

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Overview

- Why review the current Business Funding Model?
- How was the review conducted?
- Key outcomes
- Potential application to services for Clinical Mastitis
- Where to from here?



Why?

- Interbull Centre has been providing services for decades, starting with MACE for production
- Services expanded and initial fee structure principles were maintained
- Growth in novel trait evaluations during genomics era
 - Not equal history or data completeness across countries
- Significant shift in the key motivations for participation



Current MACE Fee Structure

Table 1: Calculation of Interbull Service Fees (€) for MACE – Production Traits

Basic fee		4 000.00
	≤ 100	49.00
	101 to 300	18.70
Variable fee,	301 to 1,000	7.00
per 1,000 milk-recorded cows ^a	1,001 to 2,400	4.70
	>2,400	0.25

^aExample: A country with 1,815,000 milk-recorded cows will pay for the evaluation of production traits:

Basic fee:		€4 000
The first 100K milk-recorded cows:	$100 \times €49.00 =$	€4 900
The next 200K milk-recorded cows (those from 101-300K):	$200 \times €18.70 =$	€3 740
The next 700K milk recorded cows (those from 301-1000K):	$700 \times € 7.00 =$	€4 900
The final 815K milk-recorded cows (those over 1000K):	$815 \times € 4.70 =$	€3 831
Total	1815	€21 371 for Production

Table 2: Calculation of MACE Service Fees of Trait Groups Relative to Production

<u>Trait Group</u>	<u>Annual Fee as % of Production Fee</u>
Conformation	30%
Udder Health	15%
Longevity	15%
Calving	15%
Female Fertility	20%
Workability	5%



Review Process

- Steering Committee appointed a Business Funding Models Task Force (BFM TF) to:
 - Review the current service portfolio and fee structures
 - Assess alternative options and make recommendations for the future



Business Funding Models TF Report

- **SECTION 1: CURRENT FEE STRUCTURES**
 - Dairy International Bull Evaluations: MACE
 - Genomic Trend Validations: GEBV Tests
 - International Genomic Evaluations: GMACE
 - Truncated MACE: TMACE
 - InterGenomics
 - GenoEx-PSE
 - Interbeef
 - Other Data Services
 - Services for ICAR



Business Funding Models TF Report

• SECTION 2: EXPECTED NEW SERVICES

- New Traits and/or Populations
 - Mainly novel traits and/or expansion of existing traits to new countries
 - Could be MACE/GMACE, InterGenomics, Interbeef
- New Methods
 - Ex: SNPmace
- New GenoEx Services
 - Ex: GenoEx-GDE (Genomic Data Exchange) services for InterGenomics, Interbeef or as a stand-alone service for international exchange agreements
- New ICAR Related Services
 - Ex: Accreditation of DNA Data Interpretation Centres for Parentage Discovery
- Product/Service Development Budget
 - Ex: Allocate percentage of fees collected to product/service development



Key Outcomes

1. Revised fee structure for MACE services novel traits
 - Ex: Clinical Mastitis, Hoof Health, etc...
2. Appropriate fee structure for SNPmace services

Goal for both: Balance “contribution” vs “benefit” for each participating country



Clinical Mastitis - Principles

- MACE currently exists for SCS and MAS, which is a blend of Clinical Mastitis (CMA) and SCS by country
- A specific CMA MACE evaluation is being investigated for input to national genomic evaluations processes
- Reality: History of data collection varies hugely across the potential participating countries
 - Normally, countries with most data pay more but, in this case, they also contribute most to other countries



Clinical Mastitis - Principles

- For each country, calculate the proportion of bulls with Milk evaluation in MACE that also have official CMA
 - Establish an estimate for each country across “X” years
- Reduce the calculated fee based on this percentage

TABLE 2: Novel Trait Data Contribution Categories

Contribution Category	Min	Max	FEE
1	0%	19.9%	100%
2	20%	39.9%	87.50%
3	40%	59.9%	75%
4	60%	79.9%	62.50%
5	80%	100.0%	50%



SNPMace - Principles

- National genomic evaluation systems with the largest reference populations for a specific trait would benefit less from SNPMace
- If SNPMace and MACE are both offered for a given trait, countries should ideally continue MACE
- Fee structure needs to consider the above and find a balance between “contribution” vs “benefit” as well as link to MACE services



Where to from here?

- Under normal circumstances, this presentation of concepts with questions and discussion would be part of Interbull Business Meeting agenda
 - Propose similar discussion as part of this process via virtual meetings on August 27 and September 8
- Fee structure for Clinical Mastitis needs to be finalized so MACE service can be introduced in near future
- Discussion for SNPMace services fees can continue



Thank You!

Please submit any questions you may have.