Environmental degradation is an issue of concern in the Lake Victoria catchment in Mwanza, Tanzania. Deforestation and improper soil management have lead to soil erosion, lake siltation, accumulation of C in the atmosphere and climate change. Agroforestry practices, soil conservation measures, manure application and retaining low-quality crop residues as soil organic inputs could reduce environmental degradation while increasing farm productivity and income. However, these options are not widely used by smallholder farmers in the Lake Victoria catchment area. Promotion and sustainable uses of these options require understanding of the prevailing socio-economic situation of the target farmers. This research investigated the social and economic factors that influence the adoption of agroforestry practices by smallholder farmers in Magu district, Mwanza region. Focused group discussions, household surveys and transect walks were used to collect data. A total of 120 households were interviewed and several fields visited during the transect walks. Data was analysed using cross-tabulation, cluster analysis and chi-square methods. Results indicate that involvement in off-farm activities such as fishing, livestock keeping, mini-business and insecure land tenure negatively influences the adoption of agroforestry practices. Contacts with extension agents, level of training, perception of the problem and farm sizes positively influence the adoption. Recommendations to facilitate adoption include integration of socio-economic factors into agroforestry plans, creation of more awareness among farmers and other stakeholders on environmental degradation problems and strengthening the extension services.