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Tradeoffs and Impacts of Replacing Tobacco with Alternative Crops in Smallholder Farming Systems: A Case of Hoima District in Uganda

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Abstract

Tobacco is among the export crops in Uganda contributing an average of 3.52 % to national formal traditional export earnings and is key source of income for rural households in tobacco producing areas. However, Tobacco is known to have irreversible negative impacts on growers with serious damage to their living standards. Thus, efforts are now directed toward promoting alternative crops to tobacco. This paper assesses trade-offs and impacts associated with replacing tobacco with alternative candidate crops. The Tradeoff Analysis-Minimum Data (TOA-MD) model is used to simulate the potential of replacing tobacco with alternative crops in Hoima District, Western Uganda. The data used was collected from 384 households randomly from four Sub Counties of Hoima District in 2017. The results reveal that the proportion of land or farms that would replace Tobacco with beans, rice, maize, and cassava, are 55 %, 61 %, 65 % to 76 % respectively. In addition, the net returns for replacing Tobacco with cassava are generally higher than the net returns from replacing Tobacco with maize, rice and beans. Similarly, the results suggest that income based poverty rates are, by and large, lower if Hoima farmers adopted cassava as an alternative crop to Tobacco. Furthermore, net returns from Tobacco are generally lower, and the income based poverty rates are highest compared to any of the other crops (Cassava, Maize, Rice and Beans). The main take home messages from this study are that: (1) farmers are better off cultivating other crops than Tobacco; (2) The best alternative to Tobacco is cassava, followed by maize and rice; (3) as more and more land is allocated to the crop, net returns decline and income based poverty rates rise. Based on these results we recommend that government and the development community should support communities in Hoima to move away from Tobacco to other potential crops with additional food security benefits.

Keywords: Alternative Crops, Hoima, Tobacco, tradeoffs